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West Europe Report

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31 January 1986

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POLITICAL

EUROPEAN AFFAIRS

VAN DEN BROEK ON DUTCH EEC CHAIRMANSHIP PLANS

Amsterdam DE VOLKSKRANT in Dutch 6 Dec 85 p 5

[Article by Theo Klein: "EC Treaty Makes Netherlands' Task Easier: Van Den Broek Optimistic about Chairmanship"]

[Text] The Hague--According to Minister of Foreign Affairs Van den Broek, the task of the Netherlands as EC chairman during the first 6 months of 1986 will be a bit easier now that the government leaders have come to an agreement in Luxembourg concerning a new EC treaty. If that had not been accomplished, beginning on 1 January the new chairman would have been left "with his hands in a mess." Such was the comment made by the statesman on Wednesday in a report on the plans that the Netherlands have for the first 6 months of the coming year.

In such a situation, the Dutch statesmen would have been forced for the most part to spend their time on reaching an agreement on the treaty. Yet another reason for Van den Broek to be pleased with the results from Luxembourg: "Even so they are minimal." The statesman foresees that the new chairman will now be able in the main to concentrate on carrying out the political decisions made in Luxembourg on Tuesday.

They include a streamlining of decisionmaking, improving the internal free market, and expanding the influence of the European parliament. Van den Broek says that execution need not wait until all of the national parliaments have ratified the treaty. That could easily take up 2 years' time.

"We want to instruct our colleagues to act in such a way after 1 January as though everything had been approved. Otherwise, we'll be putting the cart before the horse," according to Van den Broek. "Above all, we want to use our chairmanship in order to transform into visible deeds the beautiful resolutions taken in Luxembourg. Here we have uppermost in our minds the 300 decisions from the European parliament's white paper report, which decisions are needed if we are really going to be able to speak in 1992 of a free market in goods, people, and capital."

Free Market

The statesman believes that the Luxembourg agreement offers every possibility of doing this. "Now it is important to send a signal to European business that

we are really willing to remove the barriers to a free market. Therefore, it is not enough for us to be content with paying lip service. We want to get off to a flying start," the minister says.

He expects that Italy and Denmark will finally retract the reservation that they made on Tuesday. In his view, this need not present an obstacle, therefore, for carrying out the decisions made in Luxembourg. He has "justified hope" that Italy will still come to consent fully once the proposals have been dealt with in the national and the European parliaments.

But even stubborn Denmark, where the minority government is tied hand and foot to the parliament, will not, in Van den Broek's view, undo the result already achieved "because it itself also has a large stake in a well functioning free market."

On paper, the Netherlands has an ambitious little wish list in which priority is being given to such matters as budgetary discipline in the EC, improving the contacts with the European parliament, revamping agricultural policy, stimulating new technologies, putting transportation policy into practice, and paying attention to the Mediterranean countries. In all honesty Van den Broek immediately added that the possibilities for taking independent initiatives were very limited in a 6 month period.

The primary task is to expand on what has already been reached and to give greater substance to integration, according to Van den Broek. Moreover, the Dutch government hasn't the slightest intention to use the chairmanship for the presentation of Dutch hobby-horses. In the view of The Hague, it is not one's own preferences which ought to be emphasized from the chairman's position, but just the common interest.

Cooperation

"This does not mean, however, that we will take a passive stance. By no means is that the case," Van den Broek states. In 6 months' time, he and his colleagues have no less than 45 European (partial) sessions in front of them. The Netherlands will follow Luxembourg, and will pass the helm to the British on 1 July of next year.

According to Van den Broek, the Luxembourg accord provides somewhat more leeway for political cooperation in Europe (foreign policy). He made the announcement that at the beginning of next year under Dutch chairmanship an EC mission will visit the so-called front-line states in southern Africa (Zimbabwe, Mozambique, Zambia, and Angola). The trip is taking place at the request of the Africans.

Three ministers, including Van den Broek, made a controversial trip to South Africa last summer. According to the minister of foreign affairs, the Netherlands will pay strict attention that the measures proclaimed afterwards against Pretoria be put into practice during the coming months. At the request of France, the actual situation in South Africa will come under examination shortly within the EC framework.

Van den Broek was unable to say whether a possible sharpening of the EC's measures against South Africa would come to pass during the first 6 months of 1986. It was equally unclear whether the Community would offer the front-line states the extra economic support which they are requesting in order to compensate for those economic measures taken against South Africa from which they are also suffering.

The European chairmanship will make great demands upon the time of a number of Dutch ministers. In addition to Premier Lubbers, who, among other things, will attend the economic summit in Tokyo on behalf of the Community and Van den Broek, ministers such as Smit-Kroes for transport, Braks for agriculture, Ruding for monetary issues, and Winsemius for environment will also have their hands full. "There has never been a chairman who didn't take leave after 6 months without a sigh of relief," said Van den Broek.

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POLITICAL

BELGIUM

MAYSTADT, COEME VIEW NEW GOVERNMENT AGREEMENTS

Maystadt on Priorities

Brussels LE PEUPLE in French 23 Nov 85 p 2

[Interview with Philippe Maystadt, outgoing budget minister, by Didier Caudron and Fabrice Jacquemart; date and place not specified]

[Text] It was 5:30 am yesterday morning when the Stuyvenberg negotiators parted. Mission accomplished in the sense that after many difficulties, they reached a painstaking agreement. We questioned two individuals on the scope of this agreement's impact: on the side of the majority, Philippe Maystadt, outgoing--and perhaps returning--budget minister; on the opposition side, Guy Coeme, vice president of the PS [Socialist Party] and president of the Walloon Socialist Federations.

Is it a good government program? We don't think so. First, because the same things are repeated, and we know what that has yielded over 4 years, in order to start up a new adventure; then, because everything leads us to believe that austerity will still be carried out for austerity's sake and that obviously, imagination and boldness will not be in power; finally, because neither social nor community justice will be restored in a country that will, in all likelihood, experience even more excessive and dangerous freezes.

But it will be necessary "to go along." For 4 years? That is another story.

Martens VI will soon be born. When? Very quickly, if we are to believe Philippe Maystadt, one of the leading potential PSC [Christian Social Party] ministers, whom we questioned about the content of the agreement.

Continuity

[Question] Will the Martens VI policy be the twin sister of that of Martens V?

[Answer] Continuity obviously exists--the minister explained to us. The government is going to pursue the same priority objectives, which fit into three

points: maintaining the competitiveness of businesses; stabilizing public finances; combating unemployment. On the other hand, stress is more clearly being placed on ideas that appeared only implicitly in the preceding government declaration. I am thinking, for example, of the fact that business competitiveness is not only a matter of wage costs but also of the capacity for innovation and flexibility. Thus, for example, it is planned to replace direct subsidies to businesses by reductions in the tax burden.

[Question] Stabilizing public finances is not precisely the field in which the previous government had the most success...

[Answer] Perhaps, but it is a long-term operation. I believe, in particular, that the Liberals, in the euphoria of creating the Martens government in 1981, had considered simplistic solutions, indeed slogans, in order to stabilize public finances. They are realizing, at present, that it is not so easy as that and that the effort should be directed over several years. That being said, stabilizing public finances is not only a matter of withdrawals or restrictions; it is also a question of seeing to quality of management, to more modern management methods. For the first time, the government declaration will include, moreover, a chapter devoted to budgetary methods (responsibility of officials, new presentation of budgets by program, cost-benefit analysis, etc...)

Another Jump in the Index

[Question] What will happen with regard to revenue?

[Answer] As foreseen under the former government, the third jump in the index will be maintained. There will therefore be one indexing less in 1986, but beyond that, normal indexing will be resumed...

[Question] And the tax system?

[Answer] The law of 1 August 1985 will be applied, which means a gradual reduction (spread over 4 years) of the tax on individuals. For the rest, the government declaration indicates that fiscal pressure will not be increased. To put it plainly, a slight reduction in direct taxes; and for indirect taxes, the status quo.

[Question] There has also been agreement on turning education over to the communities. At least, the political agreement provides that a draft revision of the constitution will be introduced before the end of the legislature so as to permit the following chambers to be constituent in the matter. Haven't the Christian Socialist backtracked?

[Answer] No, the PSC has not changed its attitude. What we were calling for--and what we got--was the government's finalizing the guarantees for equitable treatment of all the education networks. These guarantees will have to be a prerequisite for any transfer of education to the communities.

The PSC's Priorities

[Question] What are, for you, the main points retained in the agreement?

[Answer] There are three of them.

First of all, with regard to family allowances. We are going to turn toward a system that makes the family allowance a right of the child, whatever the socio professional status of the person responsible for him.

Then, we have obtained an increase in the minimum wage and in the smallest pensions. This is expressly provided for in the government declaration. Indeed, that will cost 6 billion, but this will be spread over several fiscal years.

Lastly, priority has been given to basic education, pre-school and primary. There will be a strengthening of the means put at the disposal of this level of education. The early study of modern languages will be favored; thus, from the start of the next school year, primary school pupils will be able sooner to begin learning a living language (Dutch, in particular). This will not be compulsory in all schools, but those embarking on it will get the necessary subsidies.

Fourons: Vagueness

[Question] But there are also some weak points. What do they say about the Fourons? What do they say about the national sectors?

[Answer] Concerning the Fourons, in fact, the problem remains and might possibly be presented, at a certain point, to the government. As to the national sectors, the government declaration envisages the status quo: when the planned framework is exceeded, each region concerned should provide for financing the overspending by death duties (for the coal mines of Campine as well as for the iron and steel industry).

[Question] And the port of Zeebrugge?

[Answer] In a general way, it was decided to slow down the large-scale infrastructure work for the benefit of work supplying jobs. But the Zeebrugge program is too advanced for us to go back. What is clear, however, is that we will not go beyond the investments already planned.

[Question] Why new special powers?

[Answer] To fix the 1986 and 1987 budgets. It is a question of speed, so that the measures may already have an effect on at least a part of next year. That does not exclude control by Parliament. If the latter does not ratify the measures taken in the special powers framework, they will cease to apply.

[Question] When will formation of the government take place?

[Answer] That should be done by the end of next week.

Coeme on Socialists' Strategy

Brussels LE PEUPLE in French 23 Nov 85 p 2

[Interview with Guy Coeme, vice president of Socialist Party and president of Walloon Socialist Federations, by Didier Caudron and Fabrice Jacquemart; date and place not specified]

[Text] The bitterness is no longer what we think. If the Socialists are now very much isolated from power, they apparently do not have the intention of giving up. Misfortune is good for something. The government agreement will at least have clarified the political situation, with the opposition everywhere facing the same majority. Guy Coeme, vice president of the PS and president of the Walloon Socialist Federations, shared his analysis with us.

[Question] Guy Coeme, is the Martens VI affair history repeating itself?

[Answer] Completely... I would make three remarks about Martens VI. First of all, what has just happened shows that the slogan of the majority parties, according to which three-quarters of the way had been traveled, is a con. The objective of financial stabilization that had been planned in 1981 for 1985 is extended, unaltered, until 1989...

Afterwards, 6 weeks of wrangling were needed to reach an agreement on an absolutely woolly text which puts off the real problems. The most crucial problems that were to be taken up this weekend were settled in 2 days by the postponement until later of the problem of Brussels, of the Fourons... In this connection, we can judge the fairness of the PSC in relation to the Fourons. You should recall Jean-Pierre Grafe's statements at the French-speaking People's Festival... Even important economic problems are put off, for example, the national sectors, such as the Limbourg mines. All things considered, Martens VI is not protected from a community and social explosion.

Democracy in Brackets

Finally, they are resorting to special powers for a 14-month period, after two other periods of 11 and 9 months... It is putting democratic and parliamentary life in brackets. And it is an antidemocratic attitude that will cost them dearly in the end. The social elections are not far off... Will the French-speaking Christian workers agree to follow Mr Houthuys blindly in his policy of unconditional assistance to Martens?

[Question] But if they have special powers, they are going to hold out for quite a while?

[Answer] It is true that a certain duration can be feared, but there is this difference: the social elections are planned for spring 1987. That risks creating additional tensions in Christian circles. The special powers will stop, moreover, a little before these elections...

And then, we must not forget that tensions within the majority will be stronger than they have been during the last 4 years. The Christian Socialists are

exacerbated by a very hard Liberal policy...until when will their antisocialism unite them?

[Question] How do you assess the balance of power between partners within the new coalition?

[Answer] It is difficult, I do not have enough details about the agreement as yet... But from all I have been able to learn, it is clear that the options are exactly the same. Martens V, in its broad budget trends, favored the army to the detriment of social areas and education. We can also note a trend entirely unfavorable to official education, especially at the school construction level, where denominational education continues to get guarantee funds while everything is frozen with regard to official education.

Disappointment

[Question] In spite of everything, the Socialists had hoped to share power in the region and the community at least. Thus, isn't there great disappointment?

[Answer] The 13th of October was for us, at the same time, an extraordinary victory and a big disappointment. Arithmetically, we are isolated from power. But we have gained in confidence in all the country's regions. Now, finally, things will be clearer... Public opinion did not understand, although there are Socialist ministers at some levels, [that] the regional and national were being confused... Now, we will clearly know that the policy carried out is exclusively one of Socio-Christian or Liberal inspiration. There will be no interference...

[Question] And what will the PS do?

[Answer] We must stand firm on strengthening the confidence of public opinion. And I would say that we must go on the offensive. Our defense of social gains must not appear to be a purely defensive opposition... Society is swamped by neoliberal ideas. We must turn this current around, at the intellectual, cultural, economic level... We must make proposals clear enough for them to be understood.

And then, we must go a little outside our structures. There are Socialists in the provinces, the communes, the schools... We must come out of these progressively managed structures... I would say that we must put extra generosity there. While being responsible managers, we must provide the Socialist touch and the additional heart that can set us apart. On the offensive, that means that we must adopt a general attitude that permits us to go beyond the after-election shock.

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POLITICAL

BELGIUM

PERSONALITIES, TRENDS IN NEW CABINET ASSESSED

Influence of Martens, Dehaene

Brussels LE SOIR in French 30 Nov/1 Dec 85 p 2

[Article by Guy Duplat: "Martens-Dehaene Axis Strengthened"]

[Text] To put together a government always implies subtle mixtures of political families and of the two communities in the country. That exercise is even more delicate when, as was the case this time, the government has left numerous "blanks" in its government statement and it will govern for more than a year and a half with special powers. Then the rôle of the individuals in it is crucial.

Martens had hoped to be able to put together certain portfolios, or to create "coordinator" ministers, but given the reservations he encountered he preferred to leave everybody in place. And given that some ministers (Maystadt) threatened to resign under those circumstances, it became necessary to play musical chairs in a minor key. With what gains and what losses? The PVV [Party of Liberty and Progress (Flemish)], the loser in the elections, saved its three ministerial positions and its three secretaries of state. That was un hoped for. But its allocations are lesser than in the previous government. The loss of the National Defense portfolio has not really been compensated.

The CVP [Social Christian Party (Flemish)] gained two secretary of state positions for its two key women, Mesdames Smet and Demeester, who are friends of Martens and Dehaene to boot.

The PSC [Social Christian Party (Walloon)] won a secretary of state position which allows Guy Lutgen, who was ousted from the Walloon Regional Executive in favor of Albert Lienard, to get a minor role anyhow.

The PRL [Liberal Reform Party (Walloon)] keeps the same number of positions as before.

Martens-Dehaene Axis

Apparently, the "left wing" of the government was able to place its pawns wherever it wanted to. Dehaene keeps control over Social Affairs, which the

CSC [Confederation of Christian Trade Unions] demanded; Hansenne keeps Employment and Maystadt leaves the "trap" position of Budget to take care of Economic Affairs. A position which the CSC is very highly interested in because Maystadt will be able to conduct a price policy and an industrial policy there which are closer to the wishes of the Christian labor movement. He will also be able there to deal with Cockerill-Sambre. Finally, Mrs D'Hondt (CVP, labeled "leftist") keeps the PTT [Posts, Telegraph, Telephone], but leaves the guardianship of De Croo to land in the lap of Martens himself. A very important change of guardian with the prospect of a more or less partial "privatization" of the RTT [Telegraph and Telephone Administration] and of the contract of the "century" for the agency...

One of the most striking aspects of this new government is the strength of the Martens-Dehaene axis. It was already powerful during the Martens V administration; it is hardening today. Mr Martens has two secretaries of state at his disposal: Mrs D'Hondt and Mr Lutgen, and Dehaene has three of them. The key pair is becoming stronger.

Undumpable Nothomb

On the "right" side of the government, the PVV has given up Finance, as it wanted to do, but gotten Budget, where the young Verhofstadt will have to show whether implementing cuts is as easy as demanding them. Next to Gol, the PRL is raising a heavyweight who will immediately take on a double responsibility, as Paul Vanden Boeynants did at the time: Brussels Affairs and National Defense. Mr De Donnea will also be able to support Mr Gol in all the economic issues.

It will also be noted that the liberals are keeping the big investments positions (Communications, Public Works, National Education and National Defense), whereas the social Christians are keeping their good works, the social area. Liberals and social Christians have divided the economic and authority positions among themselves. In this regard it should be noted that Mr Nothomb is keeping his position as minister of the interior. And yet, following the tragedy of the Heysel and the events of Fourons nobody would have bet a penny on his nomination. At the last CVP congress, the president of the youth had even openly demanded his replacement, applauded by the whole room.

As for Jean Gol, he keeps the Ministry of Justice and even gets his own secretary of state in the person of Mundeeler. Thus Mr Gol obtained the resources to conduct a very active policy in this sector.

Compensation for Brussels People

The composition of the Brussels Executive represented a problem in and of itself. The PRL claimed its presidency. It got it. But the liberals of Brussels were demanding more. Upset by the fact that Gol eliminated Sertouille by finding a place for him in the French Community Executive, thus leaving the place within the Brussels PSC to Edouard Pouillet, the Brussels PRL had asked Louis Michel for a "compensation." He received it. Mr Georges Mundeeler next to Jean Gol serves as guarantee for the laymen against the Christian de Donnea.

And de Donnea was given a second ministerial position. The CVP, which has never participated in a Brussels Executive, had requested it through Messrs Chabert and Weckx, but in the end it was the PVV which sent Jan Bascour to it. As for the PSC, Jean-Louis Thys is the one who will replace Mrs Goor.

With regard to the secretaries of state, several new faces should be noted. They foreshadow conflicts. Firmin Aerts becomes secretary of state for energy. He is a Limburger and thus will undoubtedly be Limburg's eye with Maystadt in the handling of the Campines mines and in the decision to be made on the upcoming equipment plan for electricians.

Mrs Smet and Mrs Demeester, the "secret cards" of Martens and Dehaene, will be in charge or providing a "new tone" to the government by concerning themselves with "social emancipation" and the 'handicapped.' Guy Lutgen will play a similar role with Martens by handling the computerization of the public services.

Mrs D'Hondt will be directly answerable to the prime minister. Thus De Croo loses the PTT. But, together with the French speakers, he was in favor of a broad call for bids for the RTT's contract of the century. The CVP is exercising its strength on this issue undoubtedly to impose the "Bell Telephone-Societe Generale" solution. The strangest allocation definitely was that of Guy Verhofstadt, who in addition to Budget also received Science Policy and Planning. But, as a good radical liberal, he is opposed to planning and to a science policy consisting of direct aid rather than tax incentives.

Foreign Relations

As always it is advisable to study the language balances within the government. And specifically those related to foreign relations. One may recall that the PRL and the PSC had strongly objected to Flemish control over this sector. This Flemish dominance remains in effect to a large extent. Foreign Affairs, Foreign Trade, European Affairs, Development Cooperation and, of course, the position of prime minister remain in Flemish hands. The PRL retrieves the situation somewhat with Knoops, secretary of state for foreign trade, and de Donnea at National Defense. Through Maystadt, the PSC will have a say at the economic meetings of the EEC.

It should also be noted that certain key positions claimed by Flanders either remain with or go to Flanders: Communications, PTT, Energy, Science Policy. Economic Affairs and Interior Affairs were nevertheless snatched by the PSC.

The positions in the Ministry of National Education also formed an important stake in this government. The CVP and the PRL kept these ministries, but it is said that they will have to accept a more insistent "mother-in-law." Tomorrow more than yesterday, the PVV and PSC "national education cells" with De Croo and Nothomb will have the right to examine the policy of those departments.

To conclude, a government which has been disrupted relatively little and which is keeping its strong men, men for whom it is an advantage to know one another well, but a government which has added a few new spices, with which to provide those "new emphases" which we have been waiting for since 13 October last.

Profile of New Members

Brussels LE SOIR in French 30 Nov/1 Dec 85 p 2

[Article: "The New Arrivals..."]

[Text] Guy Verhofstadt: Ideologue Moves to Coal

A special case in our politics. President of the PVV at the age of 28, he is now, barely 32 years old, vice prime minister, minister of the budget, of science policy and of planning. No doubt an unprecedented career for an ideologue who is very far removed from our usual politicians. In Belgium you get to power through militancy and maneuvering skill. The young lawyer from Ghent got there through reading books and the strong sponsorship of Willy De Clercq.

In 1979, together with his friend Patrick Dewael who today at the age of 30 is Flemish regional minister, he wrote the neo-radical manifesto which would be taken up by the PVV. There should be less state, they said, fewer rules, greater liberties in the cogs of society and then the "invisible hand" would act in the best interests of everyone. Compulsory military service was rejected as being disguised taxation; social security was picked on, because it is said to be heavy and costly without succeeding in helping the most disadvantaged. Guy Verhofstadt has spent his weekends studying a great many files. He paid a visit to Great Britain to analyze the privatizations dear to Mrs Thatcher. He has computerized his idea of negative taxes. He traveled through Flanders to plead the theme of his three "D's." Destatization, defiscalization, deregulation.

But in Belgium, ideological radicalism does not go down very well. Willy De Clercq and Frans Grootjans, as vice prime ministers, have taken up few of their young president's ideas, even though some of his theses have entered into the government policy. Guy Verhofstadt was considered an intellectual too far removed from political realities. But in the last elections, he achieved a very good personal score in Ghent (38,000 votes) against Wilfried Martens.

At Stuyvenberg, he both horrified and impressed his partners. Even Dehaene, his most relentless adversary, admits that he knows his dossiers well and that he can stick to a decision. With Annemie Neyts as president, and Guy Verhofstadt in the government, the PVV has given itself a completely new look which rapidly removes itself from the traditional image of a party of local potentates. But in the government Verhofstadt will no longer be able to hang on to his nice theories; he will have to act and move to coal. The hardest remains to be done.

Thys, Anti-Thys, Saint Thys

In 1981, Jean-Louis Thys nourished the hope of becoming secretary of state for the Brussels Region. His dream became reality on his birthday. He is 45 years old.

Having been bitten at a very early age by the political bug, he was president of the social Christian youth before following Francois Persoons at the time of the Vanden Boeynants operation. For a very short period of time...

Having returned to the bosom of the PSC, Jean-Louis Thys was elected mayor of Jette in 1977, thanks to the help of the FDF [Democratic Front of Brussels French Speakers]. Currently he is also a representative who is appreciated for his availability -- he is a bachelor -- and located rather on the left. His centers of interest: municipal questions, immigration, the prevention of juvenile delinquency, the Third World... and Jean-Louis Thys.

Miet Smet: Martens-Dehaene Axis

Miet Smet (42 years old) entered politics with two "bigwigs" of the CVP: Wilfried Martens and Jean-Luc Dehaene. At the time they formed a famous trio which restarted the "CVP Youth."

This social worker was born in Sint-Niklaas-Waes, and in 1972 she was Luc Dhoore's press attache when he was secretary of state for regional economic affairs.

When Wilfried Martens became president of the CVP in 1972, Miet Smet followed him to rue des Deux-Eglises to take charge in particular of the institute for the political training of CVP candidates. Since 1978 she has been a member of the House and of the Flemish Council where in some of her interventions she has shown some of the "Flemish arrogance" strongly called for by another member of the CVP Youth, Eric Van Rompuy.

Georges Mundeleer: Marshal's Baton

A lawyer at the Ministry of Justice! The new secretary of state for justice, assistant to the minister of justice and secretary of state for the middle classes, the 64 year old Georges Mundeleer's profession is indeed that of lawyer at the Brussels court of appeals. Up to now, he had only walked in the shadow of ministerial functions during a career which nevertheless goes back to 1960. He has also been secretary to the vice president of the Council of Ministers and several times counselor to the cabinet.

He is distinguished primarily for having caused a commotion in 1971 by leaving the PRL and founding his own party. A step which was not crowned with success. He then had to wait until 1974 to return to the House among the ranks of the PRL. Among the people of Brussels he is known primarily as deputy mayor of Ixelles. He has been given his marshal's baton on the eve of his retirement.

De Donnea: Defense... of Brussels?

Both the Brussels Region and National Defense are in the hands of Francois-Xavier de Donnea (PRL). Nourished by university culture, this brilliant technocrat, specialist in economic affairs, came to us straight from the Secretariat of State for Cooperation. Still closely combining his teaching tasks and politics, Francois-Xavier de Donnea made his debut in the RW [Walloon Rally],

as chief of staff for Etienne Knoops. Prior to having been appointed secretary of state in 1983, by replacing Jacqueline Mayence, he had been elected successively senator and municipal councillor in the city of Brussels, next to his predecessor at the head of the Brussels Executive, Paul Hatry.

Andre Damseaux: Finally National

Is it to put some good humor into the moroseness of ministerial councils that Martens has called Andre Damseaux from the regional administration into the national administration? In any case, this former president of the Walloon Executive makes his entry for the first time at the rue de la Loi preceded by a reputation as a "cheerful character." This inhabitant of Verviers, 48 years old, a graduate in diplomatic and political sciences of the University of Liege, has played an important role at the PRL, specifically when he became president of the Walloon PLP [Party of Liberty and Progress] and of the PRL from December 1973 until June 1979. Political observers often credit him with the reconciliation of the people of Brussels and with the reunification of the Walloon liberal forces.

Belgian type paradox: is this transfer from Namur to Brussels to be interpreted as a reward given to those who do not make mistakes at the regional level?

Jacky Buchmann: Industrialist

From practice to theory? As a matter of fact, it is a company manager who will become minister for the middle classes. Jacky Buchmann manages a company which manufactures lenses for eyeglasses. At the age of 53 he has not been talked about much in the world of national politics. A representative since 1974 and a member of the Flemish Executive since 1981, where he was in charge of housing, in the last elections he was elected senator for the district of Antwerp. But to the extent that he is known, he is known primarily in Kapellen, for the simple and good reason that he is its mayor.

Louis Bril: Not Very Well Known

Successively professor of history and director of a body factory in the area of Roulers, Louis Bril, the new secretary of state for Public Affairs and Science Policy, made his debut in parliament only in March 1980. Which means that he is still not very well known in the world of national politics. The only official position of responsibility occupied so far by this 46 year old historian is that of secretary general of FEBELCAR, the federation of Belgian body workers.

In the House, Louis Bril was particularly interested in foreign affairs, finance, the economy and the middle classes. Henceforth he will have to become fascinated by high technology and upper level civil servants...

Jan Bascour: a Lion

Tough legacy for Jan Bascour... To replace Annemie Neyts, so charming in her pre-electoral bathroom, when you are well past 60 years old, and you have a farmyard name, when you have earned yourself during a long senatorial career the reputation of a roaring lion, by proposing parity in the municipal councils of Brussels and a language test for mayors in Brussels, things are not very easy. But it is true that this liberal, very well established in his native municipality of Lennik-St-Martin, of which he was mayor until 1982, former professor in mathematics, has seen worse...

Wivina De Meester: Queen of Spades of the CVP

Wivina De Meester-De Mever (41 years old, married, four children) is one of the most active CVP representatives in the House. One of the most virulent also. Small in stature, quick-witted, and not without a sense of humor. Main battle horse: development cooperation, an area where she persists in believing that the Flemish Community still has not gotten its due. Until the end she had hoped to become minister of that department. However, there is a consolation for her in that there is a Flemish occupant of that position.

As for the two allocations set aside for Wivina -- Public Health and the Handicapped --, they are two subjects she is as well informed about as cooperation. As a matter of fact, she has founded a center for the handicapped in Zoersel, where she is municipal councillor.

8463

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POLITICAL

BELGIUM

NARROW MAJORITY IN WALLOON REGIONAL GOVERNMENT

Brussels LE SOIR in French 13 Dec 85 p 2

[Article by Jacques van Solinge: "The Chips are Down: The Walloon Region will Be Governed "Faction Against Faction"]

[Text] The six members of the new Walloon regional executive committee (three Liberals, three Christian Socialists) were sworn in last Wednesday morning in Namur by Charles Poswick, president of the Walloon Regional Council. Two hours later they held their first meeting, in Brussels this time, and selected a president in the person, as expected, of Melchior Wathelet.

Apparently, the incidents that tainted the installation of the Regional Council and the election of the members of the executive committee can be put into the souvenir drawer and everything has returned to normal south of the Mouscron-La Calamine line.

But the realities could be very different.

The risks of paralysis in regional institutions are, in fact, obvious. It is known that, since the incredible exclusion of Toon Van Overstraeten, the now famous VU [Peoples Party] official at Nivelles, the PRL-PSC [Walloon Party of Liberty and Reform-Christian Social Party] majority has only a very small majority against the PS [Socialist Party]-Ecologist coalition. Which means that the two parties that support the Walloon "government" will definitely have to mobilize all their troops, including those who are sick, before each vote. All the more so, because the Socialists have let it be known that their good will could not be counted on to accept either of the pairings.

However, even in the event the Council had to reject a proposal of the Executive [Committee], the latter would not have to resign on that count. In fact, to replace the team around Melchior Wathelet, it is important that a new majority appear to propose a new list of candidates for the Executive Committee. Now, the Socialists and the Ecologists do not have the 52 votes required, to say nothing of the 53 votes that, according to them, constitute the real quorum.

The risks that such a situation holds for a good government worker in the Walloon regional institutions are obvious.

Trips by Invitation

At the anecdotal level, the fact that the ministers of the central administration intended, during their missions abroad, to respect a clever rule: to choose their traveling companions only from the parliament members directly elected by the electoral body (that is, from those who sit in the Community Council or the Regional Council) when it is a matter of members of the opposition and to surround themselves only by provincial or coopted senators, meaning elected officials excluded from regional or community assemblies, when it is a matter of representatives from the majority.

The solution is amusing. But it is apt to displease the deputies from the administration parties who are all elected directly by universal suffrage. Without mentioning the fact that the PS cabinet has let it be known that all of its members of parliament would be mobilized permanently in order to be able to take advantage of all of the "strings" of parliamentary procedure.

That could produce some rather cute situations in both the chamber and Senate, as well as the French Community Council and the Walloon Regional Council. In the Flemish Council, the situation is a little different since the CVP and the PVV have a considerably broader margin for maneuvering, 108 votes to 78.

Does this mean that the future will be black for the Walloon Region and, to a lesser extent, for the French Community? It is still too early to play the little predictions game. Nonetheless, it is true that, contrary to what is happening in most Anglo-Saxon countries, we are not used to seeing power fall permanently into the hands of such a tenuous majority and one that, all things considered, is only an entirely theoretical majority. At least in connection with the Walloon Region.

The Tightrope Walker

Melchior Wathelet was not one of the most ardent defenders of the "faction against faction" strategy that his party president, Gerard Deprez, wanted. But since now he has to sleep in the bed he made, the new president of the Walloon Executive Committee is ready to take up the challenge. It remains to be seen whether he will have the means or whether his role will be that of a tightrope walker with vertigo.

It also remains to be seen whether the young Walloon institutions will stagnate because of the obstinance of the PSC president about translating into reality what was only an election slogan ("It is not time for the Socialists"). At first, Gerard Deprez succeeded in trapping his partners and opponents in the PRL, just like he did his adversaries and rivals in the PS, while believing--or pretending to believe--in the possibility of broadening the base of the Roman blue majority to the ecologists. But history is full of such victories without a future!

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POLITICAL

CYPRUS

NATIONAL ISSUE SOLUTION SEEN DISAPPEARING

Elections' Outcome

Athens | KATHIMERINI in Greek 25 Dec 85 p 3

[Commentary by Nikos Rolandis, former foreign minister of Cyprus: "The National Cause of Cyprus the Big Loser in the Elections. No Decisive Realignments. Increases the Confusion in Handling of It"]

[Text] There may have been surprises and changes of a certain magnitude, but there were no decisive realignments in the electorate in the latest parliamentary elections in Cyprus. Compared to the last elections, in 1981:

--Kliridis' Democratic Rally gained 1.5 percent.

--The alliance (official or unofficial) of Kyprianou's DIKO with the three cooperating parties of the Center gained 1 percent.

--Lyssaridis' EDEK gained 3 percent.

--AKEL-Left lost 5.5 percent.

These changes may have given rise to some triumphant talk or to some worry. The results may call for dissection and close analysis. There was, however, no rearrangement of the political scene. There were no big victors and no big losers among the parties. There was only one big loser in the elections: Cyprus and her national cause.

Judging from past stands and statements, the new Parliament has a majority of 61 percent in favor of a nationally acceptable, though painful political compromise. In contrast the President and the executive branch have further hardened their position recently. They reject compromise and aim at absolutes. That, furthermore, was the campaign message of the President's party and of the parties of the Center which cooperate with him. So we have gone from confusion squared to confusion cubed.

Quite apart from the above, can a problem like the Cyprus problem, with the political and military givens that characterize it, be solved if we aim at absolutes?

Can we permit ourselves the luxury of continually rejecting documents and compromise proposals from successive UN secretaries general and of ignoring advice from friendly countries?

Is it acceptable to follow a blocking policy ("I neither accept nor reject" or "The secretary general's document is a phantom") while Turkish tanks are rolling across occupied Cypriot soil and while Greece, correctly and objectively, reminds us of the danger of Turkey's seizing all of Cyprus and of the difficulties which Greece faces militarily in defending Cyprus effectively?

Miracles Do Not Happen Any More

What is Cyprus waiting for then? Why does she continually reject? Why does she permit the UN initiatives, one after the other, to be distorted and to drift into oblivion? Why does she not negotiate for a nationally acceptable political compromise, with Greece at her side, while there is yet time?

Is she perhaps waiting for the final seal to be put on the turkification of the occupied soil and for recognition of the Turkish-Cypriot "state" to consolidate the partition?

Is she perhaps waiting for a new Geneva? Where in 1974 she listened to some fine-sounding, patriotic words and found herself with 36 percent of her territory occupied?

Is she perhaps waiting for the Turkish tanks to move before she yields (as has happened in the past) and to lose even what she had left, drawing Greece and Hellenism into an adventure without precedent?

Is she perhaps waiting for some change in the military situation, in an age when miracles do not happen any more? And even if the leadership of the Cypriot state believes in miracles, does it have the right to make the life, the fate, and the future of Cyprus and Greece dependent on such a miracle, contrary to the position of the majority of Cypriot Hellenism?

In 1983 (when we had rejected the "Indicators") Perez De Cuellar reminded us that "the window of opportunity for a solution to the Cyprus problem is closing."

In his memoirs, which were published a few days ago, Kurt Waldheim wrote that in the case of Cyprus, he had led the horses to water but could not make them drink.

Shall we then conclude that the United Nations is now the wrong water for us? Or has there been a mistake with the horses?

Averof Statement

Athens | KATHIMERINI in Greek 21 Dec 85 p 1

[Article: "Written Agreement between Athens and Nicosia on Terms for Resuming Dialog. Revelation by Evang. Averof"]

[Text] A written agreement between Athens and Nicosia stipulates that there will be no dialog between the two communities unless all the troops depart and all the refugees return to their homes.

This was revealed yesterday by the honorary president of ND, E. Averof, speaking to the ND parliamentary group. Commenting on the dialog in Parliament the day before yesterday on the balance of forces between Greece and Turkey (note: more details elsewhere in the paper), Averof made the following statement in order to underline the importance of diplomacy--and not just of armaments--in the relations of two countries between which there are differences.

"The Turks are not, as they are usually considered to be, a people with whom we cannot come to agreement. We have come to agreement with them repeatedly. There have been not only periods of war between us but also periods of friendship and constructive cooperation. Today we have again come to a period of great bitterness which is loaded with threats. We must have the capability to correct the situation and to defend ourselves. That is why I think that our parliamentary spokesman did well yesterday in his splendid speech to say what he did about the relation of forces between Greece and Turkey. But it is not an issue only of arms. It is also an issue of political and diplomatic relationships, an issue of handling, and today that handling is often negative. Thus I have information, which I believe comes from good sources, that Athens and Nicosia have agreed in writing that there will be no dialog between the two communities unless all the troops depart and all the refugees return to their homes. I am not revealing any mystery, since the prime minister has stressed the substance of this repeatedly in official speeches. This, however, means that it is impossible to have a dialog.

"Taken in conjunction with other things which we will not go into here, this means that we are not opening roads to discussion and rapprochement; on the contrary we are cultivating bitterness," Averof continued.

"Since I have maintained contacts with various officials in Turkey from when I was minister of foreign affairs, I have the impression that on the other side of the Aegean a fanaticism is being cultivated which will develop in ways we cannot predict and which, if it finds us at a moment of weakness, may lead to unpleasant developments.

"I believe, my fellow MP's, that it will be useful for us to think about this aspect of the issue, and I believe it will be useful for us to discuss this issue again in more detail."

On Cyprus

It should be noted that these views of the official opposition on the importance of dialog for a solution to the Cyprus problem are shared on Cyprus by the two largest parties, which oppose President Kyprianou and possess an absolute majority in the Cypriot Parliament.

12593

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POLITICAL

DENMARK

SCHLUTER CONCENTRATES ON FOREIGN POLICY IN YEAR END ADDRESS

Copenhagen BERLINGSKE TIDENDE in Danish 2 Jan 85 p 10

[Text] In his year end address, Prime Minister Poul Schluter dealt, among other things, with the fears of nuclear war and violence.

The fears of a nuclear war, violence within the society and Denmark's relation to the EC were the main issues discussed by Prime Minister Poul Schluter (Conservative Party) in his year end address on TV last night.

"Avoiding nuclear war is the most important task facing us human beings. That is, at least, the way I feel about it," the prime minister said, among other things, adding, "but we have to realize that the whole thing is not such an easy matter that we may merely tell the West--or the East Bloc--: 'Now, discard all your missiles and do it all at the same time.' The realistic way is to break down the mutual distrust and to build up the confidence that either party will respect the other party's peace and political right of self-determination."

Poul Schluter said that no proof of relaxation will be more credible than the withdrawal by the Soviet Union of its invasion forces from Afghanistan. "We, who ourselves consider our own independence inalienable, should never close our eyes to the inhuman occupation by the Soviet Union of Afghanistan. Since the invasion of that peaceful country by Soviet troops 6 years ago, they have killed hundreds of thousands with incomprehensible and ruthless brutality. No decent human being will be able to make the ludicrous claim that it happened out of regard for the Soviet Union's own security. At the same time, the biggest refugee problem of the world was created."

The prime minister referred to violence as a problem of the society, although only a few take such action. He found it reasonable for assailants attacking unoffending citizens to be quickly sentenced and immediately imprisoned to serve their sentences, but violence is not merely a question of criminal law and rules of criminal procedure.

"Throughout the material development of the society in recent decades, we must have forgotten something very essential," he said, adding, "some--especially

young people--have, rightly or wrongly, felt ignored, overlooked or have experienced that they did not suffice, and they, then, attacked with their fists and weapons when they wanted to have their own way. We have got to find ways to change that attitude, so that people will see the difference between right and wrong." The prime minister referred to Denmark's attitude toward the EC as the first big task of the New Year. "The other member countries will, undoubtedly, regard a Danish No as a signal that Denmark is then also on its way out of the community," Poul Schluter said, adding, "they will do so because the outcome of the negotiations is so close to the points of view maintained by Denmark. I wonder if we should not admit to our time of visitation?"

7262

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POLITICAL

DENMARK

INDUSTRY LEADERS SEE INCREASED EAST BLOC INDUSTRIAL SPYING

Copenhagen BERLINGSKE TIDENDE in Danish 2 Jan 86 p 14

[Article by Jens Thomsen: "Increased Eastern Industrial Espionage in Denmark"]

[Text] The Soviet Union has directed its attention to Scandinavia, including Denmark, after the USA intensified its effort against Eastern industrial spies.

A hidden camera, shoes with sticky soles to pick up metallic dust, discarded computer printouts, and illegally exported electronics are among the means which Soviet intelligence people use to procure Western technology. With the intensified effort against Eastern industrial spies in the USA, the Soviet Union in recent years has directed attention more and more toward Europe and, not least, toward Scandinavia and Denmark as target areas for industrial espionage.

Joint Effort with Industry

In the last year the Danish intelligence service has begun an increased joint effort with Danish industry to ensure that foreign industrial spies do not have too easy a time of it.

Director Povl Paulsen of Per Udsen Co. Aircraft in Grenå, where, among other things, parts are made for F-16 airplanes, the Gulfstream III and helicopters, said recently as a warning to other Danish industry leaders that one should reflect better before letting foreign guests in.

"It is a somewhat hard way to live, but that is the way it is," Director Paulsen added.

The Merchants' Guild has brought attention to industry's rapidly rising product development costs, among other things, within the medicine branch, where several years of research and development work can be lost in a few hours if the wrong people get hold of vital production data.

The same holds true for the Danish electronics and computer industry, which in several areas is world-class, and which consequently represents interesting target areas for East Bloc spies.

Uses 15 Billion on Western Technology

"It is a mistake to believe that the Soviet Union is interested only in military technology, which, it is perfectly true, is wide-reaching and touches on fields which would not directly seem to be relevant," a Danish industry leader tells BERLINGSKE TIDENDE. "Espionage can also include production figures, export areas and prices."

The Soviet Union today uses 1.5 billion rubles or 15 billion kroner annually for the theft of Western technology and illegal purchases of electronics from the West, arranged by business people, like, among others, wanted West German Richard Müller, who procured for his government customers in the Soviet Union prohibited goods like computers, microelectronics and other products along the lines of those Danish engineer Bent Weibel tried to procure for the Soviet Union.

Thirty-Five Thousand Items on KGB's List

Today it is estimated that the Soviet Union during the years 1976 to 1980 had accomplished no fewer than 35,000 of the items on the KGB's and the military intelligence service's, the GRU's, want list. The campaign for the procurement of Western electronic equipment encompasses 30,000 individual items or about 400,000 documents.

8831

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POLITICAL

FRANCE

DUMAS ON EAST-WEST RELATIONS, MID-EAST, LIBYA

Paris POLITIQUE INTERNATIONALE in French Autumn 85 pp 7-21

[Interview with Roland Dumas, minister of external relations since December 1984, former minister of European affairs (1981-1984), socialist member of National Assembly from Dordogne since June 1981, and author of, inter alia, "Les Avocats," Grasset, 1977, and "Le Droit de l'Information et de la Presse," Presse Universitaire de France 1981; interview by editors of POLITIQUE INTERNATIONALE; date and place not specified]

[Text] Question: Mr Minister, what aspect of your activity has given you the most satisfaction since your appointment as foreign minister?

Answer: The construction of Europe has brought me real satisfaction and a few regrets. The sources of satisfaction obviously outnumber the regrets and can be expressed in a few terms that will be epoch-making: the Fontainebleau accord, the entry of Spain and Portugal into the EEC, the institutional revival, and the Eureka program. A great deal of collective work has already been done, and yet everything is just beginning. Because of this, I regret the fact that this major maieutic situation--into which our entire continent is being more or less drawn by the deep-seated press of history--is either so slightly or so wrongly perceived by our peoples. It is too easy, in my view, to refer to the construction of Europe as a great broken dream. Europe does indeed exist. I am prepared to acknowledge that the politicians in our countries bear their share of responsibility for this misperception. But we must likewise turn to our educators, our journalists, and to the movers and shakers of our economy as well.

Question: Do you concur in the view that detente has failed and was merely a plain Soviet tactic designed to delude the Western camp?

Answer: The difficulty encountered in trying to determine the causes of detente's failure stems from the fact that the United States and the USSR have never given a common definition of this concept. Incidentally, I note that U.S. usage of the term "detente"--one of the elements in the three-phase plan defined by General De Gaulle in 1966: "detente, entente, cooperation"--is not the same as the usage thereof by its author. Before stating that detente has failed, one must realize that this concept, as used in U.S.-Soviet relations, was primarily a "spirit". In any case, however, the substance of this spirit of

detente has never been clearly specified. In Russian, detente is simply called "relaxation of international tension." I doubt that this modest term was ever able to encompass, in the Soviet mind, that vision of a world order of security comparable to the one described by Henry Kissinger in his memoirs. Actually, for the Soviets, the equivalent of such a doctrine has always been--in 1972 as in 1985--"peaceful coexistence," which is a very different matter.

Having said this, has the USSR used detente as a tactic? On the one hand, the Soviets have pointed out to the Americans that in signing SALT I and SALT 2, they--the Soviets--had never promised to cease their support of national liberation movements. On the other hand, the Americans felt that the Soviets were violating the spirit and almost the letter of detente. Such opposing views have made the ambiguities of detente obvious to all. In reality, it is somewhat academic to speculate about whether this or that type of behavior conforms to detente. The important point is the behavior per se. For our part, we do not approve of the Soviet intervention in Afghanistan quite simply because of what it is. Be that as it may, we must not forget that this decade has witnessed the signing of the principal arms control agreements which still continue today to codify and stabilize the military rivalry between the United States and the USSR.

Question: Agreed. Yet do you deny that the USSR has a global design?

Answer: You are now asking me to assess intentions. Once again, what really counts in international politics is the actual behavior of nations. That is the criterion by which relations between nations are judged, more than on the basis of secret or avowed intentions. The USSR has global responsibilities. That is sufficient, in my opinion, to characterize its designs.

Question: What strategy, therefore, should Westerners employ toward the USSR?

Answer: It all depends on what one wants to do. For our part, we start from the facts: the existence of the Soviet Union, the specificity of its historical view, its alliances which are not ours, but also its traditional ties--especially with France--which we intend to maintain without complaisance but with a willingness to understand. Indeed, even the current U.S. administration--highly critical of the period of detente--is now taking a pragmatic approach in which firmness does not exclude negotiation.

Question: Let us pursue this point somewhat further, Mr Minister. Do you believe in the possibility, even remote, of a "desatellitization" of the people's democracies in Eastern Europe? And if you do, should the Free World actively encourage this evolution?

Answer: It is my belief that a country's geographical, historical, economic, and cultural characteristics have priority in the long run over its international status of the moment. The generic term "countries of the East" has a more diversified factual basis than it suggests. Czechoslovakia and Poland have lived in symbiosis with the Germanic people for several centuries. Conversely, Bulgaria has traditionally had close cultural (religious particularly) and political ties with Russia. Poland's experience is also different. Even more important is the fact that my contacts with officials of those countries

have convinced me of each country's attachment to its own specificity. National sentiments still persist and the uniformity of the regimes has been unable to dispel them.

In my opinion, this diversity is as important for the future as membership in a military bloc, or as the more or less obligatory adherence to a political ideology.

In other words,--and this is what the President of the Republic had in mind when he spoke of a "transcending of the Yalta agreements"--it is only natural that in time the bonds of these natural solidarities will renew themselves. With this in mind we ourselves are continuing to attach the greatest importance to the CSCE process. The latter permits direct exchanges between European countries without the mediation of alliances, but also without precluding the effective play of those alliances. Hence, instead of being the result of this or that policy, the evolution in Eastern Europe will probably be the product of a natural historical process of which the countries concerned will themselves be the prime movers.

Question: Do you believe that technological or economic sanctions are appropriate ways of tempering Soviet ambitions? Or, on the contrary, do you concur with Samuel Pizar, for example, that East-West trade can contribute to a liberalization of communist societies?

Answer: Trade must not be asked to do what it is not inherently designed to do. That is my basic objection to the two types of sanctions you mention, even though either may be useful in a special localized situation.

There is no denying trade's irreplaceable role in establishing everyday relations between manufacturers on both sides. And trade undoubtedly has the merit of being based on the agreement of both parties involved, while ruling out any unilateral advantage. But how can we expect political and diplomatic problems to be resolved in this way, problems which neither politics nor diplomacy have been able to resolve? Actually, to be effective, the two measures you mention would of necessity require that the country in question be extremely dependent--both economically and politically--on its foreign trade. No large country would ever let itself be drawn into such a situation, a situation, moreover, in which trade pressures involving incentives or penalties would no longer be necessary to obtain favorable terms! That is not realistic.

Admittedly, manufacturers do have interests that do not always tally with the foreign policy interests of the countries of which they are citizens. I certainly do not believe that any one has "to sell the rope that will later hang him." But prudence is also necessary in trade matters. But, for goodness sake, let us not seek an economic or commercial substitute for the patient attempt to find political solutions!

Question: Do you believe communism, or its various substitutes, is irreversible wherever it has become established?

Answer: History contains not a single example of a political structure being unalterable, irreversible, or immortal. What men do, men can undo. The course of events usually sees to that.

This common-sense observation does not mean that any particular political regime would be especially "fleeting" simply because it is highly different from the one to which we are attached. As for me personally, I work with and from present-day realities and strive to assess correctly any signs of evolutionary change.

Question: Are you in favor of maintaining a dialogue with the USSR under any and all circumstances?

Answer: Dialogue does not mean approval. Trying to understand and explain does not mean concession. Should one party have to agree with the other before negotiating? I do not believe so. Dialogue between France and the USSR is necessary because our countries are what they are, namely two major powers interested in the settlement of all matters having a decisive influence on world stability, and interested above all in ensuring world peace. As two major powers both situated on the Eurasian continent, it is right, natural, and prudent for them to endeavor to understand each other completely.

I would also remind you that for this very reason our dialogue has never been interrupted in spite of--I could almost say "because of"--our differences. And you know full well that these differences, these oppositions, were and are still manifold, ranging from the Soviet intervention in Afghanistan to the controversies over restoration of the balance of nuclear forces in Europe. Yet this dialogue has never been interrupted because it does not denote acquiescence or complaisance but rather a frank and outspoken exchange of views, even a jarring harsh exchange if need be.

Mikhail Gorbachev's visit to Paris was characteristic of this spirit. This visit neither represents nor portends changes in French policy but only marks a new stage in this constant and frank dialogue. There is no denying, of course, that this stage is a particularly important one, in that it was the new Soviet leader's first trip to the West.

Must we leave it to others to speak in the name of France, or is France mature enough, sufficiently independent and self-confident, to start dialoguing wherever and whenever it deems necessary?

Question: Inasmuch as you have just referred to the changes which have occurred in the Soviet leadership, could you tell us if Mr Gorbachev's accession to power has given you any definite hopes?

Answer: Why not have hopes? The international situation and East-West relations are neither so satisfactory nor so entangled as to preclude our hoping for improvement. The rise to power of a new leader in one of the world's largest countries is always an occasion for profound reflection upon the nature of the relations we maintain with that country. In that case, how can we possibly fail to establish as our objective the improvement not of diplomatic relations but, more basically, of the ties that link us to that country?

The mistake would naturally be to take these hopes for a reality created solely by the rise to power of a new leader. I do not believe that this delusion is as common as you seemingly fear. Great countries have interests, a history, and

time, creation of a state. But we also believe that this principle is indissociable from the right of all states, and particularly Israel, to live in peace within secure, recognized and guaranteed borders.

Question: Do you believe the Israelis should agree to negotiate with the PLO even before the latter renounces its charter which, as you know, calls for the physical elimination of the state of Israel.

Answer: We have always maintained that it was up to the parties directly concerned, and to them alone, to determine the form and substance of the negotiation. So do not expect me to tell you what the interested parties should or should not do.

France believes that the PLO cannot be excluded from a settlement that is binding on the future of the Palestinian people. Indeed, we have demonstrated this by maintaining regular contacts with Palestinian representatives, as we do with all parties concerned in the Arab-Israeli conflict. It stands to reason, therefore, that we are aware that mutual and simultaneous recognition is necessary to reach an overall, just, and lasting settlement.

I would point out, in this regard, that by signing the 11 February 1985 agreement with King Hussein, Yasir 'Arafat accepted the principle of the exchange of territories for peace, pursuant to United Nations resolutions, including those adopted by the Security Council. The latter's Resolution 242 and Resolution 338 are unequivocal as to Israel's right to exist. The aforementioned agreement is, therefore, an important step which we hope will move the process forward toward restoration of peace and peaceful resolution of the region's problems.

Question: Do you feel that Israel's restitution of the territories conquered in the 1967 war is the sine qua non for peace in the Middle East?

Answer: The answer to your question is found in Resolution 242 which I referred to earlier. France, with all other members of the Security Council, approved that resolution whose implementation is the basis of any peace settlement in the Middle East. That resolution affirms two principles which I consider indissociable. The first has to do with "the withdrawal of Israeli armed forces from territories occupied in the recent conflict" (war of June 1967). The second covers "respect for and acknowledgement of the sovereignty, territorial integrity, and independence of every state in the region and their right to live in peace within secure and recognized borders." Israel's withdrawal from territories occupied in 1967 is, therefore, a sine qua non for peace in the Middle East. This indispensable condition cannot be dissociated, however, from acknowledgement of Israel's right to exist.

France has always condemned the unilateral measures taken by Israel in the occupied territories. And we have made several representations to the Israelis reminding them of their obligations as an occupation power, particularly where respect for human rights is concerned.

values--an ideology in the case of the USSR--that the personality of their leaders does not take away. Foreign policy is, more often than not, the subject area with the greatest continuity of policy, and this is no mere happenstance.

Nevertheless, personalities do exist. Men do not all have the same background, an identical perception of their country's priorities and limitations. If such differences are manifest, we can try to take advantage of them in an effort to obtain better relations. What would we gain by excluding a priori any possibility of change on the part of our interlocutor? Lucidity does not rule out hope, and vice versa.

Question: Two interrelated questions on Western security: First, do you personally favor the deployment of Pershing missiles? Second, do you view this deployment as the surest way of "recoupling" the defense of Europe to that of the United States?

Answer: The French Government supported the decision of our allies, made within the Atlantic Alliance, to deploy intermediate-range missiles in Europe. President Mitterrand stated unequivocally that the imbalance in favor of the Soviet Union was a situation that had to be corrected. Peace and security do not depend, of course, solely on the balance of forces, but in our view such a balance is a prerequisite.

We do regret, however, that it was not possible to reestablish this balance at a lower level, in other words, through a reduction of forces. Balance, to be sure, but at the lowest possible level!

As to whether deployment of the Euromissiles was the only or best way to prevent "decoupling" the defense of Europe from the defense of the United States, I certainly hope that this question will never have to be answered in reality. Decoupling is actually a political concept as much as a military one, because deterrence works more on people's minds than on the battlefield. Consequently, the controversies around the concepts of decoupling and recoupling cannot ever be really resolved. Yet some arguments are sometimes more powerful than others. And in this particular case, the stronger arguments militate in favor of deployment. My personal conviction is that we must above all ensure the balance of deterrence.

Question: Let us now shift our attention, if you please, to the Arab World. Do you support creation of a veritable Palestinian state having all the prerogatives and powers of state sovereignty?

Answer: We support any solution that will permit all peoples of the region, including the Palestinian people, to achieve a just peace. Such a goal presupposes that the legitimate aspirations of all peoples are taken into account within the framework of an overall settlement of the Arab-Israeli conflict.

We believe, along with our European partners, that a negotiated solution must be based on, among other things, the Palestinian people's right of self-determination, with everything this implies. This can mean, at the proper

Question: In a March 1974 editorial in L'AVENIR SOCIALISTE, you wrote that air piracy "was the only way for the Palestinian resistance movement to overcome international indifference." Do you still feel that way?

Answer: Do not misinterpret me. The words you quoted were meant to be a simple observation and by no means any sort of justification. They were part of an editorial on the problem and published in a review of which I was the political editor.

You must clearly and fully understand that I categorically condemn all acts of air piracy, no matter by whom. I would add that the French Government is one of those endeavoring with the most determination to get specific and concrete measures adopted within the appropriate international institutions to prevent, within the bounds of possibility, any recurrence of such acts.

Question: As you see it, is it still possible to expect a settlement of the Lebanese problem under the aegis of the United Nations?

Answer: France believes that intervention by the international community would constitute the most appropriate way to put an end to the Lebanese crisis whose origins were of an internal character but which external interventions have greatly aggravated. It was with this in mind that, in February 1984, our country recommended replacing the multinational peacekeeping force by a United Nations force. As you know, this solution was rejected by the Security Council because of a Soviet veto.

Events in Lebanon following the Israel withdrawal were a further demonstration of how really difficult this problem is. Action by UNIFIL [United Nations Interim Force in Lebanon] to restore peace and prevent other disasters could have been conceivable, either under the terms of a new mandate issued by the Security Council, or on the basis of Resolution 523 which assigns a humanitarian mission to UNIFIL. We did try perserveringly to gain support for these ideas, but in the absence of a request from the Lebanese authorities and a minimum of agreement between the interested parties, referring the matter to the Security Council would definitely have been futile, inasmuch as the Lebanese Government and some Security Council members consider that, pursuant to Resolution 425, UNIFIL must limit its action to "confirming" the Israeli withdrawal. We could also--I repeat--have conceived of a humanitarian type of intervention on the basis of Resolution 523, but the United Nations secretary-general felt he was unable to make such a decision.

Hence conditions do not seem conducive to intervention by the international community. Nevertheless, the absence of any alternative prompts us to preserve in this approach.

Question: You are certainly optimistic! Another question: does the presence of Syrian forces in Lebanon appear to be irreversible to you?

Answer: Syrian forces entered Lebanon at the request of the Lebanese authorities and have remained there ever since with the tacit or formal agreement of those authorities. Damascus has always stated it intends to

withdraw its forces when Israeli intervention ceases and internal peace is restored. Moreover, Syria did appreciably reduce its military presence in Lebanon after the Israeli withdrawal. Of course, the only conceivable option for Lebanon is, in my opinion, the "Lebanese option." I am fully aware, however, of Syria's influence in the region and the special character of Lebanese-Syrian relations. But, once again, it is up to the peoples concerned--and up to them alone--to say whether these ties should or should not be strengthened.

Question: Does France intend to take concrete measures to protect the Christians in Lebanon?

Answer: France quite obviously has special--but not exclusive--ties with Lebanon's Christians who form the community which is closest to our values and has been open to French culture the longest. Accordingly, we attach the greatest importance to maintenance of cultural and communal pluralism with due respect for the country's political unity. We consider that the Lebanese Christian community is entitled, like the country's other cultural families, to respect for its freedoms, its particularism, its beliefs, and its traditional home areas.

Unfortunately current conditions are anything but what we wish. This year's events in the Saida region and the Christian enclave of Iklim el-Kharroub, following as they did the appalling massacres in the Chouf Mountains in 1983, show that, in some cases, Christians in southern Lebanon continue to be in a life-threatening situation. Such unconscionable tragedies constitute the most serious threat to Lebanon. They create an insurmountable gulf between the various communities and are liable to bring about a partition of the country, with all of its patently disastrous consequences.

Lebanon's survival is, therefore, linked to the survival of all its constituent communities. This means that the best guarantee for the future of Lebanese Christians lies in the reconciliation of the Lebanese people on the basis of a new formula of coexistence acceding to the legitimate concerns of one and all. Such is the solution we are tirelessly urging all our Lebanese friends to adopt. That is why we persistently support anything that can reunite them. I made a point of going to Lebanon on my first trip to the Middle East. I crisscrossed that country, meeting with Christian dignitaries and Moslem dignitaries as well.

Question: Do you think that France should maintain relations with Iran notwithstanding the nature of "Khomeyniism"?

Answer: I am certainly not about to go into a discourse on the nature of what you call "Khomeyniism". I prefer to leave that task to the experts on Islam.

On the other hand, we cannot help but take note of the studies and commentaries on that major phenomenon produced by the revival of religious feelings and, in particular, by the influence of Moslem dynamism. This phenomenon is absolutely fundamental to an understanding of this end-of-century era. But states and the relations between states continue to stand in the forefront against this general backdrop. From this standpoint, I shall answer your

question by simply saying that France maintains relations only with states and that there is no reason why it should act differently with Iran. Iran is a large country whose revolution we hailed, at the proper time, and with which we wish to maintain normal relations.

Question: Under those circumstances, how can you reconcile our support of Iraq with the possible maintenance of good relations with Iran?

Answer: You are quite right in not posing the question of France's relations with Iraq and Iran in alternative terms. Our country has not chosen between the two belligerents in that particularly bitter war. Moreover, France is not predisposed to make such a choice. It so happens that, for the past 10 years or so, successive French Governments have implemented a policy of diversified cooperation with Iraq. This policy, designed to last, has been enhanced by a highly positive political dialogue which is especially positive in that Iraq is an essential center of stability in the Middle East and the Persian Gulf. Of course, our friendship with Iraq cannot be exclusive. At all events, it is not directed against anyone in a region where France has many friends. I even believe that this friendship could prove useful in the search for a just and lasting overall settlement of the Iranian-Iraqi conflict.

It is true that our relations with Iran have deteriorated. The French Government, for its part, has never wanted this deterioration and has always carefully sought to preserve and protect the future. On this point, however, it is comforting to note that the extremely deep-rooted and ancient bond uniting the French and Iranian peoples has never been broken, so strong and abiding is the interest they take in each other. Lately, there have even been signs that augur well for our future relations. Nevertheless, I reiterate that we must not close our eyes to the fact that both countries still have a long way to go and will each have to do their share.

Question: Contrary to the promises made at Tripoli, Libyan troops have remained in northern Chad. Do you think that France was duped? And what measures do you plan to take to get Libya to fulfill its initial commitments?

Answer: You will have to excuse me if I go into some detail on this ticklish issue. In July 1983, Libyan troops were making steady inroads upon Chadian territory. They did not halt their advance until forcibly pressured by "Operation Manta" launched in early August. At that time, we warned the Libyans that if they were to cross the 15th, then the 16th parallel, we would consider it an act of war.

While military operations were thus stymied, diplomats were doing their utmost to have the Libyan authorities accept the following twofold analysis of the situation. First, France had made commitments to certain African countries, including Chad, and it firmly intended to fulfill those commitments. Libya's possible designs upon Chad would, therefore, lead to a confrontation with France, the results of which were liable to be disastrous for all concerned. Second, if Libya, like France, wished to encourage national reconciliation in Chad, both countries had to display exemplary good judgement and moderation by both withdrawing simultaneously from Chadian territory and encouraging the dialogue between Chadians.

The agreements signed in Tripoli on 16 September 1984 by Messrs Cheysson and Triki, were based on this view, largely shared, so it seemed, by the Libyans. The agreements called for the total withdrawal of all foreign troops within a period of 2 months, with this pullout to be monitored by observers.

We had hoped that talks would take place between the Chadians concurrently with the withdrawal. It seems, however, that Tripoli did not exercise its influence on the GUNT [National Union Transition Government] with all the vigor we had expected. Be that as it may, after having ascertained that the Libyans had actually initiated large-scale withdrawals northward, and we ourselves having conducted an orderly redeployment of our troops, we agreed to publication of the joint communique dated 10 November. This statement announced that the disengagement operations had been completed. Hence this represented the final act of the antagonism observed during the preceding 15 months. The communique also expressed the joint desire to normalize French-Libyan relations.

Shortly thereafter, we noted, however, that all Libyan troops had not left Chadian territory. Consequently, at President Mitterrand's meeting with Colonel Qadhdafi in Elounda, the French chief of state told the Libyan leader that normalization of relations between the two countries remained dependent on complete withdrawal of the Libyan troops.

Since then, I have had the opportunity to reiterate this personally to Colonel Qadhdafi and inform him that we do not accept the current situation in northern Chad.

Now, were we duped? No, if you refer to the actual presence of Libyans in a friendly nation. No, if you refer to the continuation of national reconciliation efforts which, even though they have not yet achieved success, do, nevertheless, exist and have made real progress possible. President Hisssein Habre's tours throughout the Chadian provinces and the multiple contacts he has established in different African capitals attest to this progress.

I hope that the efforts of all interested parties, including those of the African chiefs of state who are friends of Chad, will rapidly pave the way for a lasting solution. The latter lies in respect for the unity, sovereignty, and territorial integrity of Chad, free of any unwarranted foreign intervention.

Question: Let us now change continent, Mr Minister. Do you have any particular misgiving about the Vietnamization of Kampuchea and the establishment of Soviet military bases in Vietnam?

Answer: Excuse me, but the Asian situation is not limited to what you call the "Vietnamization" of Kampuchea or to the installation of a Soviet base at Cam Ranh Bay. Asia is also the continent of the future because of its great influence, its population dynamics, and its accelerated development. Asia is successfully pursuing its economic takeoff while underdevelopment and hunger are playing havoc with Africa, and the financial crisis has checked Latin America's progress.

The successes scored by the ASEAN countries, by India which has successfully achieved self-sufficiency as far as food is concerned, and now by China, are all factors ensuring that region's stability. This stability is also dependent on social justice and respect for human rights, both of which we promote wherever they are threatened.

For more than a century, our country was present in Indochina. For that reason, we are interested in a peaceful solution to the Kampuchean conflict which has now lasted more than 6 years. There is no solution to that conflict other than the diplomatic one. Our action has that end in view. The French Government condemns the occupation of Kampuchea by Vietnamese troops. It will continue to do so. But France's historical and cultural ties with the former states of Indochina place our country in a somewhat peculiar position, in that we have long-standing relations with Vietnam while French nongovernmental humanitarian organizations are doing their utmost to ease the strains of war upon the Kampuchean people. Countries in the area, particularly the ASEAN countries, thoroughly understand this. They know they can count on our diplomatic support in the search for a negotiated solution to this conflict.

Question: To conclude, we would like to ask you in what way French foreign policy, as pursued since May 1981, differs, in your view, from the policy followed throughout the preceding 23 years.

Answer: I do not think that there was only one single foreign policy during those 23 years. France changed during that period. The world changed. We had a succession of government leaders during those years. The policy conducted by General de Gaulle was marked by development of the French nuclear program which had actually been initiated by Pierre Mendes-France. Giscard d'Estaing considerably modified the initial defense doctrine and took positions on major world issues that greatly differed from the positions adopted by his predecessors. I refer, of course, to such issues as relations with our partners in the European Community, East-West relations, and international economic questions. The policy followed since 1981 has, to be sure, changed what had previously been done. It has introduced new elements, but the understanding of France's geostrategic position has not varied. That understanding is a must for all French governments. To answer your question in more specific terms, I shall personally limit myself to three new policy orientations.

The first has to do with France's integration into the world economic system. The oil crises, export trade successes, the opening of our domestic market, are all factors that have profoundly changed French industry and agriculture, and, as a consequence, our external relations. Our predecessors had been conscious of this but had not always drawn the proper conclusions. That is why the present government attaches such importance to relations with the Third World. Solidarity with the poorest countries is a moral obligation. It is also a fundamental economic necessity for our country's future. Such solidarity is now one of the main directions of our foreign policy.

The second new orientation concerns the construction of Europe, a process that had bogged down in a succession of summit meetings. This process has now accelerated since the Fontainebleau meeting which made it possible to settle matters that had been hanging fire on the ministers' agenda, some of them for

approximately 10 years. Today, the way is clear for new initiatives like the construction of a Europe of technology or construction of a political Europe.

Lastly, in the third new main foreign policy direction, emphasis has been placed since 1981 on respect for human rights everywhere in the world. France has now become, once again, the "natural locus" for the debate on human rights. This had been somewhat forgotten in the past. I am proud that the government to which I belong places this subject again in the forefront of its priorities.

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POLITICAL

FRANCE

ACCORD WITH ALGERIA LEADS TO NEW RIGHTS FOR IMMIGRANTS

Paris LIBERATION in French 28 Nov 85 pp 14-15

[Article by Jean Quatremer]

[Text] Algerian immigrants are going to be happy: More than 18 months after other immigrants, they will finally receive the famous "single 10-year card." This right, granted in July 1984 to foreigners residing in France for over a year (along with their families), enables them to have a residence visa valid for 10 years that is automatically renewable. Algerians had been excluded and absolutely legally, for a reason: For 18 years, they have not had the same status as other immigrants because their administrative status was defined by the French-Algerian accord of 27 December 1968, which in fact granted them a "privileged" standing.

With the so-called Dufoix law of July 1984, this enviable situation was immediately reversed and Algerians found themselves at a disadvantage in France compared with other immigrants. This untenable situation resulted a year later -- amidst the greatest secrecy -- in a series of negotiations between France and Algeria. They led to an agreement a few weeks ago that should soon be signed by the two governments. Barring last-minute changes, the largest foreign community in France (nearly 800,000 persons) will soon enjoy the greatest stability on French territory.

The reason for the renegotiations is simple, legally speaking. It was impossible to issue a new status to Algerians insofar as their status in France was the fruit of a treaty, the famous accord of 27 December 1968. According to the constitution, a treaty has greater validity than any internal law.

Two paths were therefore open to the French Government: either an outright denunciation of the 1968 accord, which would be delicate, if not impossible, politically and diplomatically, having the effect of subjecting Algerians to the law of July 1984; or renegotiation of the terms of the treaty. It was the second alternative that was chosen. One thing is certain: It was necessary to resolve a situation that was unique in the history of immigration: A treaty provided a status less favorable than common law!

Below Common Law

When it was signed in 1968, that French-Algerian treaty was obviously aimed at strictly opposite purposes. Supposed to grant Algerians priority, it provided,

in particular, for the immediate issuance of a "residence certificate" for 5 years, equivalent to authorization to live and work upon mere "proof of employment." Clearly, the administration had to issue the visa if the Algerian had a job. No authorization was required.

In fact, the government never actually admitted that the Algerians would enjoy a preferential status and constantly balked at applying the accord. As a result, the Algerians suffered the greatest number of administrative obstacles: They would sometimes be confronted with the "employment situation" (perfectly illegal), or they would be given whimsical certificates or none at all, and so on. Curiously enough, it would be necessary to await passage of the Dufoix Law in July 1984 so that the administration would suddenly rediscover the virtues of the 1968 accord, which would then be applied to the letter. Talk about discrimination!

The fact is that the law of July 1984 clearly placed Algerians below common law. For them, there was no "residence card" permitting them to escape administrative red tape and the discretionary power of office workers. Nor was there any certainty of ever seeing their stay questioned, even if they were unemployed (deportation remained possible). The new beneficiaries of this new privilege are now many: nearly all the present immigrants in France legally for over a year, or a total of over 2 million foreigners.

For 18 months, the Algerians have not had the right to automatic renewal of their residence visa. The duration of the certificate can even be reduced to a year with the first renewal if the Algerian national has been unemployed for over 12 months. At the end of the period and if there is no new job, it is always the forced return to Algeria that is imposed. Last but not least, the certificate of residence can be withdrawn if the Algerian immigrant leaves France for over 6 consecutive months (these two cases of the denial of renewal and withdrawal were eliminated in October 1981 and May 1982 for the general system). One could go on and on listing the disadvantages inherent in being subject to the 1968 agreement.

These disadvantages seem to have been ended by the French-Algerian negotiations that began in July, according to the terms of an agreement that reportedly came to fruition several weeks ago. The agreement should not rouse any opposition protests: The law of 17 July 1984 that created the "single card" was unanimously passed (RPR, UDF, PS, PC).

Two Statuses

Whatever the case, this new treaty should provide for two statuses: a certificate of residence for 1 year and another for 10 years. All Algerians now residing in France legally will be endowed with this 10-year visa providing authorization to work and being automatically renewable, like the common law residency card. This certificate of residence will be legally issued to the same persons as those receiving it based on the law of July 1984 (legally issued in nine cases, particularly for the foreign spouses of French nationals or for political refugees).

But the new treaty does away with one bizarre feature: Previously, it had been provided that only Algerians with an "Onamo card" issued by the Algerian Government had the right to enter France in order to seek salaried employment. But following the racist attacks of 1973 that caused several deaths in the Algerian community of Marseille, the Algerian Government suspended issuance of the card. The result: Algerians could no longer enter France, legally at least, seeking salaried employment. This was curious because only Algeria had the possibility of suspending immigration; not France.

Henceforth, Algerians will be subject to common law, with this procedure done away with. In other words, if France once day opens up its borders again, Algeria will not be able to oppose the coming of its nationals.

Furthermore, the family grouping of Algerians will be subject to the same conditions as under common law. Only the procedure of introduction is provided for, while previously, the procedure of regularization was also possible. Clearly, the Algerian wishing to bring his family will now have to request the same and fulfill the drastic conditions required. But one should not exaggerate the scope of this innovation: The far-seeing administration was already applying the accord as it would later be modified, in 1968, requiring that Algerians follow the introduction procedure.

Repatriation for Laziness

Finally, Algeria demanded that Article 10 of the agreement not be eliminated, contrary to the desire of French authorities. That article provided that "residence certificates may be withdrawn from Algerian nationals considered to be idle based on the fact that they are in France without employment or resources for over 6 consecutive months. They may be repatriated by the French Government (...)."

During unemployment, the provision may be of formidable efficacy. Repatriation, little applied previously, unlike the denial of renewal and withdrawal of the residence certificate for "laziness," is a sanction that only affects Algerians. The administration makes the decision and the immigrant is taken back to Algeria *manu militari*, without any procedural guarantee. It is outright "economic extradition." It would appear that Algeria is anxious to recover its "idle nationals." But this measure will not apply to persons enjoying the legal certificate of residence.

With the signing of this new agreement, in the form of exchanges of letters between the two governments, and its publication, Algerians will have nearly the same rights as other foreigners. But there is one substantial difference: If the right, if it wins in March 1986, can abrogate the law of 17 July 1984 which it nevertheless passed, it will have to negotiate with Algeria to modify the new 1968 agreement. And it will not be that easy.

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POLITICAL

FRANCE

'NEW SYNDICALISM' PROPOSED BY CGC LEADER

Bordeaux SUD-OUEST in French 15 Nov 85 p 4

[Interview with Paul Marchelli, secretary general of the CGC, at Perigueux, date not given; by Alain Lemaire]

[Text] The secretary general of the CGC [General Confederation of Management Personnel] is here in Perigueux this evening and tomorrow to take part in a dinner-debate. In an interview with SUD-OUEST, he evokes the "New Syndicalism" and the prospects for an alternative political trend.

[Question] Several days ago you launched the "New Syndicalism." Is this just another gadget?

[Answer] Not at all. It is a new stage in a long series of moves. Do you remember the position of our management people in 1980? We had noted then that management was evolving and beginning a deep reflection on the search for a new identity.

This evolution, begun in the 1970's, caused management to become oriented toward a policy of encouragement rather than one of command. A real cultural revolution came about, which led management to turn its back on the traditional, military-style organization which was the working model for the business enterprises. At the same time, individual aspirations for growth and recognition of responsibilities emerged.

The CGC has taken this evolution into account. It has noted also that management is no longer a social class bent on the defense of its categorical interests around the hierarchical triptych of salaries-retirement-fiscal matters.

Today's management has the will to formulate answers to all the big problems which preoccupy the nation: industrial redeployment, the future of business enterprises, the increase of productive capacity, conditions and forms of social progress.

[Question] But, concretely, how are you going to adapt your syndicalism to these changes?

[Answer] We are turning our backs resolutely on the past. The business enterprise, as it exists, is not the core of the economic and social base which will permit us to win the battle of the future. We must have an enterprise "of a third kind," in which the convergences between representatives of capital and wage earners can be defined. The touchstone of the new syndicalism is the search for a partnership between these two great forces which have confronted each other in the past.

It is indispensable, if we want our business enterprises to be self-financing, to pay off our obligations, to invest and, in sum, to free the surplus wealth which will permit us to win the battle against unemployment.

[Question] Considering the public's resistance to change, it is a risky step, all the same.

[Answer] It is true that the greatest risk would be that the world of management could remain tied to the 19th century. That is why the presence of recognized unions is particularly indispensable.

We want the state, for example, to turn over to its partners some slots with responsibility, by giving up, for instance, its administrative authority to dismiss employees, but on condition that these management slots be filled by the corporate partners and not just by the owners of the business enterprises. For example, we believe that one could dispense with administrative authorization to dismiss employees on the sole condition that two representative union organizations actually be present in the business enterprise.

But that brings us back to square one. Experience proves that if we are content to claim only a single corporate responsibility, we condemn ourselves to participating only as corporate work-horses. We would like to progress toward economic co-responsibility, which implies participating in decision-making at all levels.

[Question] How do you envisage the prospects for a political alternative?

[Answer] It could result in stumbling-blocks as well as in progress.

First, a retrogressive and conservative behavior by the new majority which, giving in to pressures from the most reactionary fringe of the employer class, would try to annihilate the unions. This would lead to the formation of a social front and a period of social destabilization which would add to the economic difficulties.

Second, a new majority conscious of the wishes of certain organizations--the CGC as well as the CFDT [French Democratic Confederation of Labor]--to participate in the social and economic progress and to work for the establishment of this third type of enterprise to which I refer. It would have a pretty good chance of success, even if the CGT [General Confederation of Labor] and the FO [Workers Force] continue to try to prevent it.

The politicians have the ball in their court. If they deceive themselves along the way they will be up against us. However, we have on several occasions pointed out that our influence, particularly just before elections, is not something to be brushed aside.

POLITICAL

FRANCE

STOLERU GIVES REASONS FOR LEAVING REPUBLICAN PARTY

Paris LIBERATION in French 23 Dec 85 p 4

[Interview with Lionel Stoleru, Valery Giscard d'Estaing's former secretary of state by correspondent Fabien Roland-Levy: "Stoleru leaves the PR [Republican Party] from the left and runs Straight to Barre"; date and place not given]

[Text] [Question] You are in the process of leaving the PR, why?

[Answer] When I began to play an active role in it--at the time of the arrival of Francois Leotard--I thought that the PR had three benefits. The party claimed to be democratic. It appeared to represent various opinions and it had the advantage of allowing supporters of Barre and Giscard to coexist. I am leaving it because it has lost these three qualities and I am going to join the direct supporters of the UDF.

[Question] Democratic, pluralist and Barre-Giscard: when and how has the PR lost these characteristics?

[Answer] I had my initial doubts about democracy in the movement when the politburo reported through the press that Alain Madelin had been promoted to "number two" in the PR. These doubts only grew worse when I was surprised to find out that they had selected to symbolize the republican party a poster campaign where Francois Leotard appeared, surrounded by three arbitrarily chosen persons: Douffiagues, Longuet and Madelin. Now these three exclusively represent the party's right wing. This extremist wing has expressed itself for some time to the detriment of other views. It expressed itself, in particular, through Alain Madelin, the spokesman of the furthest right, most utopian and authoritarian wing of our party.

[Question] You do not seem to be fond of Alain Madelin?

[Answer] Madelin is the Laignel of the opposition. He replaced the socialist principles before 1981 with the liberal creed of 1985. Since the republican May (¹During all the month of May 1985, Francois Leotard accompanied by Alain Madelin traveled all over France, in meetings and dinner discussions to promote the liberal cause. Alain Madelin began to be very important in the PR at that time), Madelin talks like he was the master of the house and he seems to want to kick out Leotard. The takeover of power by the right wing is obvious. It is hardening PR doctrine and is restricting its field of maneuver. It is a suicidal step. The proof of it is that Francois Leotard's stock is beginning to drop. What Raymond Barre diagnosed as the "development of a rightist ideology" is taking place in this party. I spent some happy hours there with Francois Leotard, but I no longer have anything to do with it.

[Question] According to you, who started this rightist drift?

[Answer] Ideologically, the speech of Jean-Marie Le Pen spread all over and PR policy deviated, on one hand toward ultraliberalism, which only 10 percent of the French support at the most and on the other hand toward extremist talk about immigration. Even Leotard allows himself to be influenced and praises the extremist works of Alain Griotteray on the question. It was a major error to follow Le Pen's lead. However that is what is happening in the PR.

[Question] What do you think about coexistence in the party between supporters of Giscard and Barre?

[Answer] It is becoming more and more difficult to maintain the position of the Barre supporters, especially before Michael d'Ornano's machinations. (²Michel d'Ornano, Giscard's right arm, PR leader for the nominations for the March elections, favored access to the slate of Giscard supporters. Last week he tried to force on PR candidates signing of a pledge to support the coexistence government during the next legislature. This led to a public protest of the Barre supporters.) I wonder how long Barre supporters like Charles Millon or Francois d'Aubert will still be able to hold out.

[Question] That has not always been the case, but you now seem to distrust coexistence and its supporters?

[Answer] Yes for beyond internal bickering, what matters is not winning 1986--which is already won--but thinking of saving votes for 1988. Now the prevailing demagoguery is leading us toward a situation similar to that of the left in 1981: with

these methods we will win with 60 percent of the votes and we will not have more than 30 percent of the voters with us 6 months later. Election capital, like saved capital is more difficult to preserve than to amass.

[Question] You speak like Barre. Have you decided to move bag and baggage into his camp?

[Answer] Yes. In the present situation, it is Barre's voice, which expresses best common sense and responsibility: as long as one has not won the presidential election, one does not govern France. And it is also true that the economic management of the country is very difficult in the present era and you cannot entertain yourself during a frantic coexistence of 2 years, playing three cushion billiards, when the other countries will go forward.

[Question] What do you think the economic situation will be in the next 2 years?

[Answer] The outlook has changed a great deal in these last 3 months. The world economic situation offers us an extraordinary opportunity which it would be criminal to waste. The OECD's economic forecasts are rather favorable. The experts have taken into account two factors in the world situation: The drop in the dollar and the "Baker plan" on the Third World debt. Two other positive elements have appeared since. The OPEC agreement which has already caused a drop in the price per barrel and the Gramm-Rudman Law, scheduling an automatic reduction of the American budget deficit. These factors indicate a favorable world situation and we have an incredible advantage in the coming years. This is why the government between 1986 and 1988 will not have any excuse, if it fails. I also fully agree with Raymond Barre: It is necessary to attack the presidential problem immediately, thus the government will have elbow room to tackle the rehabilitation of the country.

8490

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POLITICAL

FRANCE

MADELIN DEFENDS REPUBLICAN PARTY AGAINST STOLERU CHARGES

Paris LIBERATION in French 27 Dec 85 p 7

[Interview with Alain Madelin by correspondent Fabien Roland-Levy: "Alain Madelin: the Great Liberal Evening is not for March"; date and place not given]

[Text] [Question] To justify his departure from the PR [Republican Party], Lionel Stoleru explained that this party is no longer democratic or pluralist or balanced between Barre and Giscard supporters.

[Answer] The republican party still has all these qualities more than any other--and it is this which creates the problem: the PR is a liberal party.

[Question] You called Barre one day a "cool liberal". Is not the PR a little bit too liberal for the Barre supporters?

[Answer] I do not want to argue with Lionel Stoleru. I have one principle: I do not shoot against my own camp. Nevertheless the parties of the right have served too often as a springboard for personal political ambitions--moreover, often legitimate--but which are not based on convictions.

[Question] What about the lack of internal democracy?

[Answer] Discussion is completely free in our various organizations. Moreover, I inquisitively studied the files of our politburo of which Lionel Stoleru was a member. I did not find any trace of important differences on his part, except one. It was in July 1984, when Laurent Fabius was appointed prime minister. Stoleru had then proposed that we accept Fabius' false reconciliation proposals and had considered that we study the further possibility of a change of alliance. He did not want us to be eternally connected with the RPR and desired us to

consider a rapprochement with certain socialists. There was in fact a fundamental strategic disagreement there between him and us. You see how far tolerance and freedom of expression go inside the PR.

[Question] It is said in the PR that the only reason for this withdrawal was that he did not obtain any places on the election slates. He answers that he was not nominated because he did not follow the party line.

[Answer] Lionel Stoleru is quite an admirable person: he has shown great courage, because there for many months he thought the PR was an abomination...and he managed to keep quiet, while only displaying a single ambition in these recent months: bearing the insignia of this party in March 1986.

[Question] Consequently, according to you, he is only a disappointed opportunist.

[Answer] I do not want to argue with Lionel Stoleru. I have one principle: I do not shoot against my own camp. Nevertheless the parties of the right have served too often as a springboard for personal political ambitions--moreover, often legitimate--but which were not based on convictions.

[Question] What is wrong with a politician wanting to become a deputy?

[Answer] Nothing and I suggest you go question those in charge of the election files, who scrambled to find a place for Stoleru.

[Question] He called you the "Laignel of the opposition"...

[Answer] Ah yes, I am a repugnant Laignel and if Stoleru had found an election slot I would be a likeable Santa Claus. Once again, some are inclined to consider political parties as machines to distribute nominations. And this is why the PR leadership proceeded to get the new candidates in March to sign a pledge (The PR candidates for deputy marched Monday into the office of Francois Leotard to sign a "pledge" to respect certain rules for the period after March 1986. A version of this pledge circulated last week in the assembly. A paragraph stipulated absolute support for any coexistence government, which led to a protest by the Barre supporters in the PR who oppose coexistence.) The proof was shown with this affair that it was not in vain to remind those who are going to join us that they were bound to the PR by a certain number of convictions and by a freely accepted discipline.

[Question] Explain to us what this "pledge" exactly involves. Does it mean supporting a coexistence government against wind and tide?

[Answer] Of course, not! Do you see me pledge myself in this way? I can assure you that the version of the text to which you refer is not in any case a production of a PR leader, neither Leotard, Ornano or myself. The pledge which was signed Monday, was simply to stipulate two fundamental principles, connected with the governing agreement signed on 10 April by the UDF and the RPR. In the first place: not to support a compromise government, whether with the National Front or with a Mitterrand salad in the center. In the second place: to pledge a return to majority vote after March.

[Question] Let us return to the charge made against you. They exclaim "idealist," "dogmatic" and "ultraliberal."

[Answer] Some find the PR too liberal and this is all the better. However, we are not mistaken. No one in our party imagines that the great liberal evening will take place in March 1986. It will take a great deal of time to make France a liberal democracy. The republican party is taking part in a long march.

[Question] When you are starting out on a long march, is it not better to know where you are going?

[Answer] As a political party we are called upon to be involved in a great cultural change which is characterized generally by a return to the individual, that is a movement from authoritarian ideas to liberal ideas. But this change obviously meets resistances. We have facing us the authoritarian conservatives who have borrowed socialist ideas and who have not returned all of them. And consider all the statist nomenclature which does not want to return to individuals the rights confiscated by the state. There are also false liberal solutions--such as the positions against trade union monopoly or social security at two levels--generally advocated by liberal neophytes, which would have very harsh consequences for French society. Those arguments provide the criticism against a so-called liberalism on our part.

[Question] Then when will the victory of liberal thought take place?

[Answer] At least a generation. The movement of ideas--it is obvious--generally foreshadows political movements, but the maneuvers of governments are difficult obstacles to overcome.

However, I perceive some signs: for example, no one advocates any longer today that the state must produce automobiles. On the left, we also see the movement of the return to the individual, among authors like Laurent Joffrin or Jacques Julliard, namely. The conventional right-left cleavage is beginning to crack before another cleavage: authoritarians (of the right or the left) against liberals (of the right or left). There will necessarily be an extensive redistribution of the cards in the medium term. And the republican party, which is at the center of liberal ideas, is well situated to win liberal feelings on the right as well as the left and to benefit from future regroupings.

[Question] You will not have many people on the left as long as you continue to discuss some subjects like immigration.

[Answer] We have a historic mission to get the conservative camp to move toward liberal ideas, especially on subjects like immigration. But it is not easy to make abstractions about the facts of our electorate. I regret that the subject has become an election issue. I must be cautious, which does not prevent me from criticizing some positions, like that of Poperen who does not leave immigrants any other choice but assimilation or departure.

[Question] And what about the positions of Griotteray in his book "The Immigrants, the Shock"?

[Answer] I do not agree with all his analyses. Thus I do not think that immigration should be a subject of referendum. We would not have anything to gain in matters of public and individual freedom.

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POLITICAL

ICELAND

POLL FINDS MAJORITY FAVOR U.S. PAYING FEE FOR BASE

Reykjavik MORGUNBLADID in Icelandic 12 Nov 85 p 2

[Article:"Public Opinion Poll in Arnessysla, Large Majority Want U.S. military to Pay Rent for its Base"]

[Text] It emerged from public opinion poll carried out by the Arnessysla cell of the Progressive Party in an electoral district meeting of Sudurland Progressives last week that 41 representatives at the meeting were in favor of having the U.S. military pay rent for its base in Iceland. Some 23 were against. Of the rest, 3 answered "it does not matter" and 5 failed to answer. There were 100-120 persons at the meeting and two-thirds of those present took part in the poll, according to Gudni Augustsson, chairman of the electoral district council.

There were also questions in the poll about the positions of respondents on the garrison force and regarding the government. Of those participating, 10 said that they were in favor of the presence of the U.S. military in Iceland; 51 were opposed, 6 said that "it did not matter" and 5 failed to answer. Gudni Augustsson said that it is difficult to interpret the results of the poll, since it might be said that all those who feel that it is necessary for the garrison force to be in Iceland could still have answered "no" to the question.

Also asked in the poll was: "Are you satisfied with the activities of the Icelandic government?" Of those responding, 7 said "yes," 23 answered "no" and 41 said that "it does not matter."

These results were presented to Prime Minister Steingrimur Hermannsson: "I am astonished that people wish to require the payment of rent by the garrison force for the right to be in Iceland. I am opposed to having the nation sell itself in this way. On the other hand, I am in favor of the garrison paying full value for the services that it receives in Iceland. For much of what the garrison force brings into Iceland, for example, they should pay Icelandic customs duty," said Hermannsson.

"That so many should be against the presence of the garrison force in Iceland also surprises me and that is not in conformity with the decisions of the Progressive Party at present or with other public opinion polls. I wonder if

Progressives wish to disturb the balance of power in the world while very important discussions are under way on disarmament. I regard the results of the poll as little more than wishful thinking. We all dream that the day will come sooner or later when the garrison force will no longer be needed.

"I am not, however, surprised about positions on the government. I would have answered 'it makes no difference' like the vast majority did in the poll. It is impossible that all could be happy with everything the government has done, whether in terms of the garrison force or something else. I could mention a number of things I am dissatisfied with," said Icelandic Prime Minister Steingrímur Hermannsson.

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POLITICAL

ITALY

TEXT OF CRAXI'S REPLY TO SENATE SUPPORTING COALITION

Rome AVANTI! in Italian 9 Nov 85 pp 2-3

[Text] It is my duty to thank all those, who, during the debate, expressed their appreciation, wholly or in part, for the line of conduct and for the decisions the government took in the course of the difficult events we experienced, that is, the problem of the "Achille Lauro" hijacking.

This morning I wish to give a political reply and nothing more; that is, I will try to provide the clarifications that have been requested from many sides, more with regard to the debate and the conclusions of the debate that took place in the Chamber of Deputies than with the messages I had presented explaining the agreement that had taken place among the five parties of the coalition.

Naturally, I have no reluctance in stating immediately and in letting this also become a firm point that I intend to conform--and the government will scrupulously conform--to the terms of the clarifying agreement and therefore, it is considered to be an action by the parties of the coalition. I do this willingly, with conviction, also because the terms of that agreement were proposed and drawn up by me on the basis of a careful evaluation of the positions that had been expressed in a search for the proper point of balance. However, the search for the points of balance cannot obscure, cannot modify the points of principle about which it is necessary to have the maximum clarity possible.

Regarding this agreement and this text, I refer exclusively at the moment, to the question of Middle East policy because I see that it is on this matter that new controversy has surfaced and that requests for explanations on the various aspects of this policy and this situation have arisen. I also take the liberty of adding that, with regard to foreign policy matters, I consider them a matter of primary importance, certainly however, not the first of the serious questions with which the policy of the Italian State and Government is confronted. Nevertheless, I return to it because of the importance that has been attached to it, which, to some observers, might appear to be out of proportion as well, in view of the fact that none of the decisions that affect the future of the Middle East crisis involves Rome. I must say that Rome has always been interested and, over the course of these years, has never been divorced from the Middle East policy matter for so many evident reasons. If nothing else, this interest has been heightened in connection with the Italian turn at the chairmanship of the European Community.

This is what happened in 1980 when, on Rome's initiative, it was arrived at in the Venice declaration of principles, which represents a turning point and a basic point that is still in effect for the policy of the entire European Community.

It is thus that our presence and our attention and also our responsibility were increased during 1985 when it was Italy's turn at the chairmanship of the European Community, for which reason Italy became a more relevant party as a result of it, in view of the fact that it was entrusted with a responsibility of a European nature.

I wish to state that the document, in the context of matters regarding Middle East policy it outlines, certainly reflects a line of continuity by the Italian governments that goes back to 1974 at least. I have taken care to reconstruct the positions of the Italian governments that were taken each time since then, a year in which an official representation of the Palestine Liberation Organization was allowed to be established in Italy and in Rome--an organization that, at that time, was already political-military--and found in these positions a thread of continuity based on essential principles.

The first of these principles, which can be evinced from the statements that the prime ministers made before the Chambers of Parliament when they introduced their cabinets, is the one of acknowledgement that the Palestinian question is based on a national right to independence, in other words, the Palestinian question is not a matter of refugees, a matter of populations rebelling against a sovereign state, a matter that can be resolved in the same manner as many problems of different nationalities within the same state, which is able to unite them and represent them, were resolved even in this century and which cannot be resolved within the framework of the Israeli State.

It is a national problem that has been recognized by the various Italian governments, which, after all, did nothing more than follow the decisions that the United Nations made ever since that far-off 1947.

The right to a national identity of the Palestinians is recognized by the United Nations. The claim to the right of national identity is founded on the non-compliance with the plan proposed in 1947 by the Security Council that provided for the creation of two independent states: the State of Israel and Palestine.

Actually, the Palestinians were not able to realize their right to achieve independence, which is the political expression of a national identity.

Therefore, it is an unresolved national problem for which a great portion of the national community has vainly sought over the decades, a negotiated, peaceful, lasting and definitive solution.

But on this there is a line of continuity from which we do not intend to nor can we nor should we deviate.

In reading the record of the statements that were made by the various governments before the Chambers of Parliament during the past 11 years, I noticed that in no

case--perhaps in only a single case--was there any dispute about the PLO, which was allowed a political representation and during the 10 years has, on many occasions, as I have reminded the Chamber, maintained high-level relations with the Italian Government, up to the Foreign Ministry level, or mostly at the Foreign Ministry level, during the decade and at the same time during that decade, the conflict between Palestinians and Israelis was ongoing and on some occasions, has been extremely violent as well as terribly deadly. Yet, during the course of all of these presentations of their programs by the various governments, there was never any mention, any invitation or any explicit condemnation of an action carried out by the PLO on a military level.

Only the Hon. Mario Andreotti spoke about them in 1978 when, as prime minister, in his program speech, he stated: "I do not believe that these problems can be solved by acts of terrorism or with reprisals. We will continue to do everything possible in the right places to bring about a negotiated agreement for the recognition of the right of the Palestinian people to self-determination," thus expressing an opinion, which again read after so many years, reveals itself to be a judgment and an opinion that was desirable and that I share. That is to say, Italy, in the past decade, has followed a realistic policy vis-a-vis a conflict, knowing that there was an unsolved problem of a national question, and it has endeavored to make its contribution to getting the negotiations going between the parties in conflict, which have fought each other so bitterly.

During the debate in the Chamber of Deputies there came to light a point that had not actually been examined in depth in its juridical, historical and moral contexts: the matter of the means that are permitted and considered to be legitimate in a conflict of this nature. I think that it is a matter of a problem that cannot be decided upon either by me or by all, as a whole. It is a matter of general evaluations and of principles that belong, to begin with, to the broadest international community and its organizations, and we have participated and participate in the decision-making regarding them.

The UN, on various occasions, both through general principles set forth in the UN Charter and through specific resolutions, has rendered an opinion on the rights considered inalienable, recognized for the peoples who find themselves oppressed because they are captive or under occupation. While the charter of the UN, as a general rule, rejects the use of force as a means for solving international controversies, it allows it in specific instances for the protection of the fundamental rights that are deeply rooted in the principles that inspired the United Nations. Those principles are: self-determination by the people, self-protection or self-defense, struggle for national independence by colonial peoples, protection of the national identity of the people.

I believe that a serious discussion on this subject, which cannot fail to be of interest to the Parliament of the Republic, could be held and carefully examined by the Parliament, which could have a constructive debate, using as a point of reference the debates and declarations of principles adopted by the United Nations.

I think that, in this specific case, a debate cannot take place with an exchange of accusations or with controversies that are not constructive. If there is a desire for an in-depth examination to be held among individuals who are intellectually

honest, who respect one another and about whom no one thinks they wish to do anything that goes against international law and order or moral laws, then this examination in depth should be made, using as a point of reference precisely the debates that have already been held and in which Italy has stated its position.

There are several UN resolutions that can be examined and debated. There is one in particular, approved on 22 November 1974, entitled "The Palestine Question" that at one point states specifically: "The right of the Palestinian people to regain their rights, by any means, is recognized."

Now then, with respect to this resolution, Italy abstained from voting. Italy was governed by a government headed by Prime Minister Moro. Prime Minister Moro, speaking to the Chamber of Deputies, explained why Italy had abstained while Israel and the United States voted against it.

He said: "We consider that the text of the resolution itself did not explicitly safeguard the sovereignty and integrity rights of all the States of the region, including, of course, the State of Israel." Now then, I can state that in reading over that resolution that Prime Minister Moro was right, that the Italian objection was addressed to its being incomplete. And I state that were a resolution containing the same flaw proposed to us and were it to be proposed to the government that I have the honor of leading, the Italian position would be no different from the one taken in 1974 by the government presided over by Prime Minister Moro.

I state this because we, and I myself, consider it to be essential for any foundation for peace and it must be made perfectly clear that the legitimate rights of the State of Israel, not only to exist, but to be secure and enjoy a condition of normalcy in its relations with the other countries of the region, must be safeguarded.

I recall what the King of Saudi Arabia told me a year ago while discussing the seriousness of the Palestinian question and the problem of the State of Israel. In essence he said: "Is it not evident that Israel is a state of the region? It is a state of the region and we wish that Israel were recognized by all Arab states and that it could have normal diplomatic relations with us and normal trade relations, but on one condition, that it help solve the Palestinian question. Without such a solution there will be no peace, no normalcy, no secure future for the region."

Therefore, I believe that, based on the continuity of our foreign policy in this area and on the principles that Italy has already discussed and has already taken into account within the large international organizations, we can set our course of action and we can further examine certain aspects we may consider worthy of such attention and such commitment. I can only state that we stand for peace, as we always have, that we are against all forms of violence, whether by movements or countries, and we would like to see the prospect of violence replaced by a prospect of negotiation, of mutual understanding, of the just recognition of just rights. And, moreover, we are against any form of terrorism. We have always thought that the main avenue is another, that is, the way of negotiations for peace. This is what I have always said to the Palestinians with whom I have talked, emphasizing the futility, the danger and the damage of a military course destined

to fail and, in some instances, to actual suicide, and the importance of the search for peaceful ways of negotiation, even when the doors are tightly closed.

I have repeated on many occasions the motto of the Israeli Left: "Only peace is revolutionary in the Middle East."

Even the hierarchy of the Catholic Church has turned its attention to these great tragedies of the world. I want to read a thought that is part of Pope Montini's "Populorum Progressio": "There are certain situations in the world wherein their injustice surely cries out to Heaven. When there are entire populations living in a state of such dependence as to deny them any initiative and responsibility, the temptation to reject with violence similar outrages to human dignity is great. However, we know that revolutionary insurrection is a source of new injustices; it creates new imbalances and causes new devastations except in the case of an evident and prolonged tyranny that strongly assails the fundamental rights of the individual and is detrimental, in a dangerous way, to the common well-being of the country." This is my opinion as well.

Honorable Senators, I think that as a result of the disturbing statements made by the Palestinians in the wake of the Israeli raid on Tunis, in a context of the resumption of acts of violence, of military actions and of armed struggle, we did well to express what may sound like a warning, like a suggestion, like our assessment--which is also part of the document--in order to state that all this could prove to be counterproductive with regard to any peace process, that it would not allow the PLO to play its role in a peace process, that it would lessen it, and, in any event, that it would hamper any peace process. And, because there are already so many who do not want this peace process, the advice we offered is well-founded and well-formulated. The resumption of armed conflict would not solve the problem, it would make it more cancerous, would create new victims and would remove the prospect and the possibilities, tenuous as they may be in the present state of affairs, of opening negotiations.

Now then, the government will adhere to this line of conduct and will address itself to the State of Israel, which is a friendly state despite baseless arguments and protests. When Israel was surrounded and attacked by the Arab states and dragged into a suspenseful and uncertain war, many of us took Israel's side because we understood that its existence as a sovereign state was placed in jeopardy, recognizing all the value of the achievements of the Israeli people, that is: a land, a homeland, a sovereign state. But Israel won those wars and today is the dominant military power in the region, in a position to guarantee fully its own existence.

We ask Israel for an act that is essentially farsighted and generous, for a farsighted and generous policy as well as a fair one that involves the return of Arab territories inhabited by Arab populations in order to allow, within these territories, the solution of the Palestinian question.

In order for peace founded on these premises to be a lasting peace, the international community must be committed to the creation of the entire system to provide the necessary guarantees. This the course that must be followed. I hope that there will not be a renewal of the arguments about a line of conduct, which we

consider to be reasonable, that takes into account the rights of everyone and endeavors to facilitate the advent of an era of reason, of trust that is so difficult to achieve. This is the only way, however, that this question can be resolved. I will not even attempt to imagine what may happen in the future. I do not mean tomorrow or even day after tomorrow, but rather what may happen in the years to come, were this question not resolved. It stands out like a great wound that radiates its pain over several areas and reflects negatively on international relations. I hope that this may be a subject for talks between the Presidents of the United States and the Soviet Union, which also has something to say, decisive in many aspects, that is important and of great influence on the behavior of the countries of the region. And I hope that this subject may find a place, the place it deserves because of its great importance, on the agenda in the dialogue between the Soviet Union and the United States.

I had no desire nor wish to be argumentative. I did not even wish to raise the point that later appeared as an oddity, a case of Mazzini-Arafat. Far be it from me to offend Mazzini's memory. I do not wish to offend the living or the dead. I did not wish to compare two historical personalities in a totally arbitrary comparison, and, after all, all these comparisons are more or less arbitrary. I wished only to say, and I meant to say with that example, that in the troubled processes that peoples go through to obtain their independence, to become nations, sometimes the leading figures of these processes get carried away by ideals or desperation at the same time and are driven to use unorthodox methods, so to speak; this, after all, has happened to many, even in more recent times.

The president of the Republic of Tunisia has spent part of his life in jail, in French jails, as leader of the bandits who wanted independence for their country. When we sit down to talk with the leaders of the new Algerian Republic we know that we face terrorists hunted down by the French colonial power and when we write, in the resolution agreed upon by the parties, about the validity of a Jordanian-Palestinian institutional solution, that is, of a federated state between Jordanians and Palestinians, we know that at the same time we foresee a state whose leaders will be the present leaders of the most representative political organization of the Palestinians; and I believe that at the moment when we reiterate its validity and hope for it, we hope for the same thing. Therefore, I did not wish to offend anyone. I have great love for Mazzini, much greater than that which Garibaldi had for him.

In essence, the Majority has declared that it wishes to continue its collaboration, as it itself expressed in a vote in the Chamber of Deputies, and it is my hope that the Senate of the Republic will wish to confirm it. I believe that were the majority to become embroiled in an irreversible crisis, this would engender a situation difficult to control and this would not be in the interest of either the country or democracy. The specter of early elections has returned and rears its head whenever particularly critical situations arise: I believe that under these conditions it would be an outpouring of absolute irresponsibility. It is true that we have by this time a series of legislative sessions that were cut short, so to speak, but we have never had one that has actually had its term cut in half. I hope that we may be able to continue on a stable course; I have hoped and I hope for a close collaboration with parliament, without confusion, of course; it goes without saying, no one wants any confusion. I believe that the first ones not to want any confusion

are precisely the forces of the opposition. The Communist Party does not want any confusion and wisely lets the Majority shoulder its responsibility and, when the proper time comes, will call it to account for what it did or failed to do, for the errors made. This question, then, has never existed; no one has posed it. If anyone wished to pose a question about the change of the political balances and the real limits of the parliamentary majority, I believe he would say so aloud, would explain the reasons for it and would not hide behind any fortuitous or peculiar situations. He would pose it as a political question as is correct to do in a democracy ..."

Marchio: "Only Formica has posed it."

Craxi: "No, Formica spoke about something else and I do not even think it is right to cause a scandal in a parliamentary assembly and every time raise a question that already appears to be a little trite: this, when it happens that the opposition parties or part of them--in this case it was the Communist Party--believe to have identified a position on a subject or question, which, in their opinion, is worth holding. It has happened to you also on other occasions; this is an important case of general policy, of foreign policy. After all, it has happened with the Communists in the past as well: I often hear mentioned a motion made in a year that I do not exactly recall ..."

Chiaromonte: "1977."

Bufalini: "Two motions ..."

Craxi: "It has to do with two motions, as Bufalini, who is very knowledgeable about that period, reminds me.

"All this should not be a reason for a scandal and, if I bring up the matter, which is there, of a great parliamentary collaboration that does not affect the Majority alone and its difficulties, about which one can talk openly because they have become so evident that they can no longer be hidden, nevertheless, it is still a majority that considers itself committed to a spirit of collaboration with and support of a government in which it alone is represented, but a broader parliamentary collaboration. I make reference to three questions, not only to the finance law.

"We have almost reached the half-way point of the legislative session before it goes into that typical phase of parliamentary democracies, or even of the presidential ones, whereby everything begins to become confused and distorted in the context of a democratic conflict that is rekindled with a view to the electoral confrontation and context. Now then, I ask myself as we enter the middle phase (1986), which is still rather far away from that date, whether it is not possible for all of us to ponder over the state of affairs without afterwards prejudging the evaluation of the merits. The state of affairs tells us that there is a significant delay, not weeks, but months and years, on many bills that involve essential aspects of national life, such as financial, social and institutional matters.

All this requires, within the Parliament, considerable speeding up of decisions and a report that is not too conflicting and, therefore, inevitably paralyzing.

There is great delay on many laws that are expected, which, of course, could be amended and which will inevitably be amended in the context of parliamentary collaboration; however, the important thing is to legislate on many of these matters.

Then there is a second chapter, that of institutional reforms, those that are feasible. On this point also, because of its seriousness, this session cannot be adjourned simply by saying that we have made an initial sounding of preliminary work, that we have concluded nothing and that we are going to talk it over during the next session. In my opinion, this would be very damaging to the image of democracy and our Parliament as well. I believe that cooperation should be reached in this matter also because it is a subject on which it is indispensable, necessary and, it is hoped, to have a very broad consensus, to reach a decision whether we want to do--as I said in the Chamber of Deputies--just a little, if we want to do a little more, if we want to do as much as necessary to make our democratic system more efficient and seriously wish to modernize it without changing its principles, of course. Finally, there is a matter that causes us concern, as a matter of fact especially because of the responsibility of the Majority which has found itself in a crisis situation that brought about an interruption of a couple of weeks with regard to the objective of voting on passage of the finance and budget bills within the scheduled terms in order to avoid, if possible, a continuing resolution. Now then, the objective of keeping this rule, which was deemed to be important and which we were able to keep with everyone's cooperation during the past 2 years, if this objective is still shared, poses some problems. Such problems can be solved, however. I have not asked the Communist Party to approve the finance bill, which I know it disapproves of in its entirety. I ask whether it is possible to find a shortcut on sufficient points to allow the speedy processing of the finance law in order to avoid having to resort to a continuing resolution, which everyone considers to be negative. If this were possible, it would be nice because everyone has his own reasons, everyone is able to explain whether he has made any compromises, the basis and the reasons for the compromises themselves.

"Honorable Senators, the country's economic life moves on a path that is very uncertain: the positive signs are not lacking, but the elements of their development and of their completed consolidation are lacking. We have good reason to be greatly concerned about the present and future employment situation. To be greatly concerned for the delay in decisions and involvement regarding the South. A great concern about a social front that is about to reopen a phase of conflict, after a brief and sterile negotiation breather.

"More generally, we notice that there is a desire for progress, a determination for commitment and a request for greater assurances about the future among the younger generations that call upon the entire political world and the entire leadership class of the country to assume a great, unavoidable responsibility.

"Honorable Senators, the government is conscious of its own responsibilities and I hope that, with the cohesive support of the parliamentary majority that expresses it, it will rise to the occasion. From the Parliament of the Republic, which, for its part, has even greater and more decisive responsibilities and upon which the government depends, I ask a renewed vote of confidence."

POLITICAL

NORWAY

PAPER URGES CLOSER COOPERATION IN COALITION TO AVOID COLLAPSE

Increasing Talk of Disintegration

Oslo AFTENPOSTEN in Norwegian 4 Jan 86 p 2

[Editorial: "Danger Afoot"]

[Text] Now the government must take note of the seriousness of the situation. When more and more people start saying that the collapse of the coalition is inevitable there is danger afoot. Moves of the type we have seen in the press for the last few days have a tendency to reinforce themselves. Unless the coalition parties make the necessary clarifications, especially with regard to their relationship to the Progressive Party, it will probably be just a question of time before the coalition breaks down.

The fundamental situation is obvious. The Willoch government is based on a nonsocialist majority that includes Carl I. Hagen's party. But apparently people do not believe that the majority will stick together through the stressful period that lies ahead. This is all the more deplorable because in our opinion it would have been quite possible to find a model of cooperation that would ensure a steady nonsocialist course early last fall. However the middle parties made that impossible. The important thing now, rather than dwelling on the past, is that in today's critical situation the three parties recognize the danger signals and do what has to be done.

In contrast to VERDENS GANG we do not regard a Labor government with support from the middle parties as a desirable alternative. That goes without saying. It would be a great misfortune if we acquired a socialist government now, especially in a situation where there is a nonsocialist majority in Storting. If that happens, everything the present government has done to straighten out the Norwegian economy will have been done in vain.

If the coalition breaks down nonsocialist cooperation will be undermined for the foreseeable future. Optimism, new ideas and increased activity will be replaced by stagnation and inflation. Even VERDENS GANG, which is apparently incapable of taking any firm standpoint at all, cannot doubt that a change in government would involve a drastic shift to the left in our political course. This applies to the economy as well as foreign and security policy.

The alternative to the present situation is not a socialist government but a closer cooperation by the three government parties when it comes to continuing the responsible policy they have pursued so far. It is equally clear that in order to ensure majority support for this policy they will have to sit down and talk to Hagen. They may or may not like it, but the fact is that the two Progressive representatives are part of the government's parliamentary base.

Clarification is urgently needed. The Conservatives, the Christian People's Party and the Center Party must realize that they will pay dearly if they shirk their responsibility and fail to make use of their opportunities. It is still not too late.

Willoch Pledges Increased Contact

Oslo AFTENPOSTEN in Norwegian 4 Jan 86 p 8

[Article by Morten Malmo: "More Contact Will Reduce Problems"]

[Text] "After an unavoidable shakedown period after the election, all parties should adjust themselves to more systematic contacts, even before things get difficult," Prime Minister Kare Willoch told AFTENPOSTEN. Willoch dismissed all the speculation about new government constellations on the basis of last fall's budget debate in Storting. "We are based on a very pronounced cooperation among the three government parties," the prime minister stated. Center Party leader Johan J. Jakobsen also advocated more contact with all parties and flatly rejected the Labor Party's "courtship" of the middle parties.

In the last few days various sources have given the present Willoch government a "death sentence." In the Center Party newspaper OSTLENDINGEN, editor in chief Andreas Hagen predicted that the coalition government will collapse within a year. VERDENS GANG [VG] wrote on its editorial page on Thursday that "an intransigent attitude on the part of the two largest parties (the Labor Party and the Conservatives) with regard to cooperating with each other on central political issues will lead sooner or later to the collapse of the three-party government and bring the Center Party and the Christian People's Party into a cooperation that will make Storting independent of an unreliable 2-man group (the Progressive Party) which represents a policy no one wants to be associated with." The head of VG's political section, subeditor Per Norvik, made this comment on the editorial with reference to the Labor press:

"One can interpret the editorial as meaning that the only thing that would guarantee a more stable development in this country is some form of cooperation between the Labor Party and the middle parties."

Norvik justified VG's statement about the collapse of the government by saying that such sentiments have emerged "when one talks confidentially with people from the middle parties."

Labor Party Courtship

Another move came from Labor Party leader Gro Harlem Brundtland, who has said that the Labor Party is always willing to cooperate with the Center Party and the Christian People's Party if the coalition government collapses and the two parties "detach themselves" from the Conservatives.

"We campaigned for a nonsocialist government and of course we still stand behind that pledge. Therefore the Labor Party leader's remarks must be seen as another attempt to break us up. The present government is not laboring under a 'cloud of crisis,'" commented Center Party leader Johan J. Jakobsen, who added: "The Labor Party, the Socialist-Left [SV] and the Progressive Party should realize that there is only one alternative to the present government and that is a government formed by the Labor Party alone."

Relationship to Labor Party

Prime Minister Kare Willoch said that people should understand that the most important thing is the results for which majority support can be won.

"When the Labor Party wants to utilize opportunities to create majority opposition to the government, we must seek support from representatives who do not want a government crisis. But naturally a policy oriented toward results implies a willingness to discuss things with all the opposition parties. One of the things I am hoping for is constructive talks about the big problems involved with future financing of social security and the tax system.

"In this context I would like to recall the big compromise on Statoil between the government parties and the Labor Party in the last session. We would like to have more bipartisan agreements like this, especially when they concern issues that will be of great importance far into the future," Willoch pointed out.

Center Party leader Johan J. Jakobsen said that everyone--both politicians and press people--must get used to the new situation following the election. "I think we have to stop putting the 'chaos' label on a form of work that is a consequence of the parliamentary situation." Jakobsen stressed the need for broader contacts on all sides, including contacts between the government and Storting, before important issues are brought up. The chairman of the Christian People's Party, Kjell Magne Bondevik, said that one must learn to live with the situation that has arisen. He also stressed the need for good contacts with all parties, but said that the government must take the offensive more often in dealing with the opposition.

Bondevik denied that an internal debate is now taking place in the Christian People's Party concerning the government cooperation, but said that uneasiness could arise if the political center of gravity shifts as a result of the Progressive Party becoming a permanent partner in the cooperation.

How does Bondevik evaluate the "courtship" of the Labor Party?

"It doesn't really contain many new elements, but it does indicate a softening of an otherwise rigid bloc mentality on the part of the Labor Party. I also think the Labor Party should end its 'dual attitude' with regard to the Progressive Party and relieve the government of the need to depend on the Progressive Party instead," said Kjell Magne Bondevik.

Agreement Reached

Prime Minister Kare Willoch also said:

"We are counting on a pronounced willingness to cooperate on the part of the three government parties and in my opinion the fall session of Storting did not provide any basis for speculations about new government constellations.

"The budget debate went as might have been expected in the first session after an election that did not provide the basis for a majority government. After the statements the opposition parties made during and just after the election campaign, they were backed into a corner to such an extent that it was impossible to arrive at any agreements that could resolve the budget mess back in October without accepting spending increases and a deficit that would be regarded as irresponsible by most people. Consequently we had to go through a somewhat more dramatic process in Storting. But after my talks with opposition leaders, I did not believe that a government crisis was imminent," said Willoch, who added:

"One should not forget that before we came to the final budget debate--when a lot of unrealistic proposals pushed through by the Labor Party, the Progressives and SV had to be revised--we had already reached an agreement on two important issues: an extra increase in social security pensions and the Lotto decision. It can be noted that all parties showed a willingness to compromise in the process that led to final decisions on these important single issues. The government also displayed considerable elasticity both in the discussion of these issues and in its attitude toward a number of other demands for higher spending.

Quicker Next Fall

"While I do not think there were any real political opportunities to arrive at a final budget compromise before December 1985, I think the experiences from this session should provide a basis for a much quicker resolution of problems when we have to debate next year's budget in the fall. This is politically important for the government because paradoxically it looks as if there is disorder on the nonsocialist side when the Labor Party and SV join forces with the Progressives and create a majority for resolutions that the government cannot possibly accept. But actual results are more important than party prestige," said Willoch.

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POLITICAL

NORWAY

SOCIALIST LEFT PARTY DEBATES RENEWAL OF IMAGE

Oslo AFTENPOSTEN in Norwegian 4 Jan 86 p 3

[Article by Bjorn Talen: "In the Steps of the Old Socialism"]

[Text] The Socialist Left Party has not made much of a mark on the political landscape this year. But within the party an exciting debate has raged over the desire of key people to make the Socialist Left Party [SV] into a more liberal and progressive alternative to the Social Democrats. They believe this kind of modernization can increase the party's vote potential and they may be right to some extent. Among other things there are some voters left among the wreckage of the Liberal Party who are dreaming of a better place to go. But they are unlikely to be attracted by the old socialist flotsam and jetsam. SV would have to be an almost entirely new party with a more liberal domestic policy and a foreign policy credibility that it does not have today. But the orthodox counter forces are probably too strong to allow that to happen.

SV's ideological line is hard to sell to a broader public. The party has assets such as the country's most popular politician, Hanna Kvanmo. There is creativity there, but it has not done the party much good. Even the long nuclear debate, on which SV originally held a patent, did not strengthen the party.

Proletarian?

It is a major problem for SV that no one will really identify the target groups for marketing the party. It is not too easy to sell the party as a "workers' party" when the voter base looks the way it does. While only 4 percent of SV's voters come from the group of industrial workers and people in primary occupations, support is around 15 percent among those who work in the media/cultural/research/educational group and almost as many come from the health and social services sector. Some 25 percent vote for SV among women under 40 with a high level of education compared to only 1 percent in the group of older men with a low educational level.

Some have grasped this imbalance between words and reality. The SV leader in More og Romsdal, Erling Outzen, recently offered this advice in NY TID:

"Put less emphasis on the 'worker' profile. Most workers today do not identify at all with the traditional 'worker' image."

Held Back

We can also see another major problem along these lines. SV supporters would like more liberal opening hours and greater broadcasting activity--and a slight majority would even approve financing this through advertising. But instead of being the driving force in an exciting development SV is limping along behind with a heavy weight on its left foot. The intellectual exhibitionists who have consistently resisted the introduction of television, color television, the video specter and more channels, out of loyalty to their vocational instruction at Marienlyst, have been a dominant force in conjunction with the general desire to regulate things.

"In the space of a few years Oslo has developed from one of Europe's most boring cities into one of its most lively ones. The incredible thing is that the Conservative Party has managed to attach its name to this development. And the left is just sitting on the sidelines looking pathetic," said party secretary Erik Solheim when he resigned earlier in the fall.

More Liberal Course

People like NY TID editors Steinar Hansson and Ingolf Hakon Teigene, Rune Slagstad and Erik Solehim, realized several years ago that the party would have to adopt a more liberal course. But both the otherwise flexible Hanna Kvanmo and party leader Theo Koritzinsky have been more concerned with defending the old image and the old status symbols.

Of course SV's mental processes have not been completely idle. Terje Erikstad, deputy leader of Socialist Youth, said in a NY TID article that the party program has become more liberal on a number of points: less blind faith in the state, clearer criticism of bureaucracy, more effective aid to developing countries, a positive attitude toward local radio and a new TV channel, liberalization of closing laws and alcohol policy, a certain amount of sympathy for private efforts in the health sector and a stronger market orientation with emphasis on changing economic policy. Typically, he called his article "The New Liberal SV." But although awareness is dawning, it is too late and too weak to make a political impact.

Animosity Toward United States

We can see the same sort of pattern in foreign policy. As a child of the "third standpoint," SV would naturally like to continue to love and hate America. Party people know better, but they pretend that the United States is nothing but "Dynasty," the CIA and United Fruit. It is more damaging that party criticism of the Soviet Union's brutal ways of assisting its neighbors is seldom more than a pale echo of the outraged cries about the less endearing aspects of the United States' superpower policies.

When Jorgen Dragsdahl tweaked the peace movement's nose in NY TID there was a massive outcry. And censure pours over Teigene, the editor selected by the national congress, every time he suggests that bombs in the East can be just as dangerous as bombs in the West or when he sharpens his pen when he writes about the conduct of the Soviet dictatorship.

There was a similar negative reaction when NY TID devoted its editorial page to some mild criticism of the state of emergency in Nicaragua.

Gustavsen Back in Favor

The opposing forces in SV are strong and in a strange way this is illustrated by the question of who will take over the job as editor after Teigene leaves. Only two candidates are in the running: wonder boy Erik Solheim and aging Socialist People's Party hero Finn Gustavsen. From what AFTENPOSTEN has heard both men are acceptable to the party, surprisingly enough. And when Gustavsen has suddenly been given the seal of approval again, the following explanation springs to mind. Solheim would undoubtedly continue to present the dogmatic opinions expressed by Teigene's liberal and pragmatic line. He even thinks that SV should take a more realistic view of NATO membership. Gustavsen, on the other hand, would guarantee the safe old foreign policy course. He would not criticize either Cuba or Nicaragua. For that reason people are willing to overlook his formerly unforgivable liberal deviations.

Everything will stay the same. We who feel that SV is bigger than it should be already can continue to sleep well at night.

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POLITICAL

PORTUGAL

CAVACO SILVA LEADERSHIP STYLE: VIEWS , COMMENTS

Reaching Decisions

Lisbon EXPRESSO in Portuguese 7 Dec 85 pp 24-25R

/Article by Mario Joao Avillez: "Cavaco: the Strategy of Secrecy"

/Text It is too early to tell whether solitude is a good counselor. But it is true that Cavaco Silva has carried over into the administration the leadership style he began in the PSD /Social Democratic Party: He falls back on a staff of four men but then he makes the decision all by himself.

"Cavaco Silva? He always acts alone, by himself. It would be nice if he were divine," sighs a man close to the head of government with revealing humor while one of his two ministers does not hesitate to say that "he is the one who always makes the decisions and he prefers to involve very few persons in his decision."

Is this one road to power, as suggested by a secretary of state?

"Cavaco Silva's silence might spring from a power-oriented strategy: He always has the last word and almost nobody can say in advance what it will be."

It is too early to tell whether solitude is a good counselor. But today, 6 months after Anibal Cavaco Silva appeared on the scene, there is one thing that seems sure: The tone and the attitude will remain the same. In other words: In his party or in S. Bento, the politician prefers to decide all by himself, to be inspired almost only by himself, and to surround himself with a deep and thick layer of silence. The risk inherent in this peculiar form of being and acting undoubtedly however will, from one moment to the next, tilt the balance of credit against him and, further down the road, begin to dissipate the cloud represented by the state of grace now surrounding him.

What better sign that this is so than the confusion and stupefaction (at best), the disillusionment or indignation (at worst) with which the controversial measures of his executive tenure were received--that is, both the good ones and the bad ones?

Government measures? This is a story which, as the prime minister himself admits today, began rather well ("we simply have to do it that way," he likes to keep saying) but which ended badly--with the poor television performance of the agriculture minister and above all with the absence of a political framework in this delicate and controversial first sortie by the new administration.

Story of Price Rises

About 2 weeks ago, Cavaco Silva began to work long hours with Miguel Cadilhe, the finance minister. All by themselves. After both of them had established different contacts separately (Cadilhe with the Bank of Portugal, Cavaco Silva by phone with some international economic agencies), they met once again to make a determination on economic studies which the prime minister in the meantime had ordered Alvaro Barreto to prepare. Only after these moves did the chief executive get together with the various ministers who were involved in price rises: Alvaro Barreto, Oliveira Martins, and Santos Martins.

"The prime minister broke his decision up, he listened to individuals in keeping with the various sectors, and he lined his collaborators up in small teams," one of these collaborators explained to me in this connection.

Meanwhile, on the very day the agriculture minister went on TV, the "premier" himself prepared that show almost the entire afternoon. He did so with the same perseverance and effort as a teacher preparing a student for a final exam.

The student does not pass the exam and immediately one can begin to hear the first chords of the gigantic protest symphony. Out in the street and in the newspapers there was no dissonance: The tone was the same.

And while public opinion, the mass media, and the ordinary citizen agreed in their indignation or their disillusionment, the same did not happen in the corridors of power. There, opinions still continue divided today.

"All the higher-ups are more and more in favor of increases. This specific moment, before an extremely serious and important election, reveals the courage and decision-making capacity of Cavaco Silva," say the most optimistic; others however, per chance more clear-sighted, say without hesitation, in Buenos Aires or in Gomes Teixeira, that "instead of attacking, the administration must now switch to the defensive."

Criticizing the "Form" and Protecting the "Essence"

The prime minister appears to be half-way between two concepts: He starts by absolutely refusing to admit that he is now contradicting his own election approach of last October; he keeps emphasizing insistently that price rises are very much lower than those in recent years; he confines himself to something which he can already claim as a success of (his) term of office: Purchasing power will be preserved and there will be no increases in 1986.

But in private he recognizes the unexpected political skid triggered by the lack of strong shock absorbers, even agreeing that his minister's performance on TV was not one of the best. In other words: The prime minister admits an error of "form" in order (better?) to protect the "essence."

Several individuals close to his office assured us that "Cavaco Silva had a tremendous credit in terms of confidence and his dialogue continues to be direct with individuals." This, by the way, is the direction of the opinion surveys ordered by the administration after the price rises had already become known in public.

Be that as it may, the question which nobody asked himself yesterday can constitute a threat today: Will the administration be able to weather a second misstep, keeping in mind the ambiguous, shifting, and unforeseeable measure of essence which it is credited with? In other words: Will Cavaco Silva be able to continue to rely entirely too much on himself, to allow himself to be guided by the lack of political experience on the part of some, and to do it all by himself?

Now, how does this executive branch work? What about the PSD? How are political matters getting along, knowing only what we know, in other words, that everything seems to revolve around, spring from and die in keeping with the obstinate and solitary will of Cavaco Silva?

"The prime minister is trying to pulverize the centers that supply the input," explains one of his more intimate collaborators. "He does not want to continue to depend on a single information and decision preparation center."

Today there are four major areas vying for Cavaco Silva's attention: party, administration, the political nucleus of the executive branch, and the small (but extremely influential) group made up of Eurico de Melo and by the prime minister's wife.

PSD: The End of the Baronies

"The PSD today is practically separated from what constituted the cement of its instability which formed the wave of its agitation: The intrigues, the baronies, and the power struggle," explained a national leader from Buenos Aires.

Another one, with a nice sense of humor, finds that "the PSD today is the most stable, most balanced party, the most exemplary party on the domestic political scene."

This is precisely what Cavaco Silva counts on today above all. In this way he can "with perfection carried to the smallest detail" reconcile executive tasks and party tasks. Against the background of this performance, we are not astonished by the fact that, at the head of the national headquarters, we find Dias Loureiro, the most faithful among the faithful, the friend, the collaborator from way back.

"The prime minister does not want any detail to escape him. I always find him to be informed about everything that is going on in the party," explains the social democratic secretary-general.

Another national leader points out that "the chairman of the PSD thinks that he is up-to-date on everything that goes on and that, at each instant, he measures and weighs what is at stake inside the party." Once a week at least Caraco Silva leaves his office: Every Wednesday afternoon he leaves S. Bento and enters Buenos Aires to lead the usual meeting of the Permanent Mission of the PSD. At that moment he is more than stirred by the battle of the local government authorities--and while this does not rob him of his sleep, it nevertheless does not fail to worry him. This is true to such an extent that he takes the initiative in prodding some and calling to attention others who are diverted by other election fights.

With his rear areas calm and the main masses in good shape, Cavaco Silva can in this fashion devote most of his time to his work in the executive branch, either during the cabinet meetings (the full cabinet meets once a week, on Thursday, and the Economic Affairs Council meets every third morning), or in his own office.

"This administration introduced an innovation in its operations," explained one of the prime minister's collaborators and then he added: "Before that, there were countless documents being passed from cabinet meeting to cabinet meeting. Tons of paper, scores of documents awaiting their final draft, being held for further analysis, piled up in what was called the morgue of the prime minister's office. None of that goes on today: All bills are returned to the cabinet only after they have been signed by all officials responsible for the particular matter. Then they are either put aside--but only until the next cabinet meeting--or they are approved immediately."

Each of these bills reaches the office of the prime minister only if it contains a justification for its existence, a list of the effects it would produce, the reactions which it might foreseeably trigger in the other parties, among the social forces, etc. In his capacity as secretary of state for the office of the president, Pedro Santana Lopes takes care of the "correct reading" of each of them. "If each of these documents does not reach me here with its pertinent complete file record card, it is not forwarded," the young politician confessed.

Based on the decision made by Santa Lopes, the ministerial agenda is then drafted and it is submitted to the chief executive for his approval. The messenger is his deputy minister by the name of Fernando Nogueira. And, 3 days before each full meeting, Santana Lopes sends the final agenda to each minister.

"Efficiency is a Tonic"

None of these two weekly meetings--the full meeting and the restricted meeting (the latter being attended only by the ministers of defense, of health, and of justice)--obviously prevents the prime minister from individually getting

together with members of the administration "whenever necessary"; this tends to happen "depending on whether or not there are tricky cases to be resolved."

"Efficiency is a tonic," said another one of Cavaco Silva's ministers. "The meeting never goes beyond lunch and the agenda is drafted to contain a reasonable number of points. In addition to that, Cavaco Silva dispenses with superfluous briefings and unnecessary loss of time." According to a cabinet member, the prime minister--probably recalling his time when he was a professor--has barred any smoking during cabinet meetings. "During the meetings, he is flanked by Eurico de Melo and by Fernando Nogueira, two big smokers. Now, since he does not smoke...", commented one minister.

Around mid-morning, the cabinet takes a coffee break--obviously so that the smokers can derive comfort from their morning cigarette.

In the middle of the week, Cavaco Silva invites to his office the group which has been defined as the political center of the executive branch. Eurico de Melo, Santana Lopes, Jose Manuel Durao Barroso (secretary of state to Eurico), and Fernando Nogueira make up this small team which is responsible for analyzing the good (or bad) progress of the executive branch, analyzing political facts, reviewing the government's activity record, and listening to the echo of the steps taken by the administration.

"This group met only once when there was a debate in Parliament and when Cavaco Silva went to Brussels," said one of the group's members. According to sources close to the prime minister himself, Cavaco Silva however would like to give the group more dynamism and make these Wednesday meetings "ten times more effective."

That is not asking too much in view of the fact that the entire executive branch precisely is suffering from the absence of a political pulse and above all is lacking in an ear that would be much more effective than what it has been on specifically political issues. As for the rest, Cavaco Silva is not the first to be dissatisfied with the lack of output and results deriving from this weekly meeting.

"The truth is that, at this point in time, political support for the prime minister is not yet properly developed," agrees a member of that group. "But its greater political effectiveness at this moment is a priority concern of the prime minister."

Special Missions Man

Finally, there is Eurico de Melo, the "special missions" man, as he is known in S. Bento.

"He is responsible for contacts with opposition forces, with the more delicate sectors of the PSD, or with foreign diplomatic services, for example. Cavaco Silva wants his friend to handle these things."

That is quite natural. There is a long-standing friendship between these two men, their confidence is reciprocal and they work closely together every day.

Here is an example: The appointment of Cardoso e Cunha to be a member of the EEC Commission was decided by Cavaco Silva and Eurico de Melo. Few persons were in on this secret and Eurico de Melo obviously was one of them. It has always been this from the very beginning with these two politicians; but to this tandem we must now add Maria Cavaco Silva who was also in at the beginning and who divides her talents between being a confidante and an advisor.

Will this be enough for the way of a new executive branch that is as fragile as its support is precarious? There is every indication that the answer will be negative. But in opposition to this purely objective fact there arises another fact with a much greater dimension: The determination--as solitary as it is secret and stubborn--of a man who is a politician today and who has decided to rule all by himself. Or almost.

, Not a Politician

Lisbon EXPRESSO in Portuguese 7 Dec 85 p 3

/Article by Jose Antonio Saraiva: "Cavaco Silva's Solitude"

/Text/ There is one main reason why Cavaco Silva won the legislative elections: Because he was not a politician.

Cavaco, as a matter of fact, was practically a stranger to the political class: he entered the government with the help of Sa Carneiro and he left it after the latter's death.

Basically, Cavaco Silva was a technician in whom Sa Carneiro had confidence--and little more than that.

This is why he was able to win the elections.

First of all, because he brought out the memory of the late prime minister.

And then because his style was different from the style of professional politicians--of whom the country was getting tired.

This new way of doing things which Cavaco introduced into Portuguese politics was revealed in the way in which he put his administration together.

The ministers he picked for the most part did not belong to the political class.

And his choice was not determined, as it seems, by some kind of internal arrangements: The names of the ministers of the new administration did not circulate in the hallways of the PSD, nor they show up among those who, in their eternal search for a balance between the various "sensitivities," invariably would wind up holding high government posts.

Cavaco Silva then gave the impression of putting his administration together in his own fashion, being little concerned with the reactions which his way of doing things could trigger inside his own party.

In his first acts as chief executive, Cavaco stressed the main characteristics that had marked his election campaign: A direct, dry, and sometimes brutal style.

In announcing price increases, the minister as usual was laconic: He seemed to prefer action to words.

And how did the country react?

This is precisely where the problems came in.

The Portuguese as a whole react neither well nor badly.

Accustomed to successive increases, they received the new price figures with a mixture of resignation and indifference.

Quite naturally, they were not satisfied.

But they did not appear to be excessively motivated by the opposition's remarks either.

This we can understand.

The Socialist Party--which until 2 months ago was the ruling party--obviously is not in a good position when it comes to criticizing price hikes; this is why its challenge did not produce any echo.

As for the Communist Party, it is the force that indiscriminately fights against all increases and its remarks have lost their effectiveness.

So, what was left?

The PSD.

Strange as it may seem, the PSD was the party that was most agitated by the administration's measures.

It did not really react to their content and we can understand that; but it did rise up against the way in which these measures were decided and announced.

Why?

Because all those who in the PSD today feel outdated or pushed to the sidelines are trying to exploit this opportunity to come out against the prime minister, suggesting that he lacks maturity and political knowledge to be familiar with the way in which these types of decisions are prepared.

On the other hand, the men around Cavaco--who for the most part are inexperienced--are now wondering whether the others will not turn out to have been right. In other words, whether, in the future, the prime minister, before taking any measures, should not make sure to consult those in the PSD who are familiar with the highways and byways of politics.

Immersed in his solitude, Cavaco today does not have a clear idea as to which way to go.

After all that has happened, he will hesitate between acting the way he always did, with the risk of sometimes meeting with disaster, or beforehand listening to opinions of those who have been in politics longer than he.

This is a reasonable doubt--with one important difference.

If he insists on being exactly what he is, Cavaco Silva will always have an image--which could not be better but which is his own; if he wants to become different from what he is, he runs the risk of having no image at all.

The fact that he is not a politician might perhaps be one of Cavaco's weak points; but it is certainly also his main triumph.

5058

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POLITICAL

PORTUGAL

COMMENTS ON NEW MINISTERS' POLITICAL PROFILES

Lisbon EXPRESSO in Portuguese 9 Nov 85 p 3

[Article by J.C.B., J.H.C., and J.W.]

[Text] His list of ministers is infinitely shorter than the possible list of "major political figures" that could have been put together with names from inside the Social Democratic Party. But Cavaco Silva stuck by the argument he had used on TV to mark his distance from Salazar and Almeida Santos: "You are lawyers--I am an economist." And he has beaten all previous records: the new cabinet will have eight engineers, two economists, and (only!) four lawyers.

This is therefore a government of supertechnocracy in which one almost suspects that there are no ministers capable of bearing up under a parliamentary debate filled with the typical interrupting remarks, laughter, jeers, and verbal extravagances. But it is a government that is not in danger of talking too much and announcing what it is going to do before the matter is decided by the Council of Ministers.

On the reverse side of the coin, one has the feeling that it is a government that may not be able to fill the (enormous) political space which the various cabinets have so far reserved without interruption for themselves.

In any case, this is a government that was not put together to suit the desires of our public administration. On the contrary, it has disarranged that administration, redefined areas of responsibility, grouped some areas together, and separated others. It is a real psychological shock to the comfort of our gentle customs, and its results are certainly unpredictable.

Meanwhile, here, one by one, are the ministers of the tenth constitutional government, who have been affably accepted by Ramalho Eanes.

Leonardo Ribeiro de Almeida: Surprise

Perhaps the biggest surprise in this government, he succeeds Mota Pinto and Rui Machete, both of whom tried to place political leadership of the Armed Forces in the Ministry of Defense after the constitutional revision by withdrawing certain prerogatives from the heads of the armed services for the first time since 25 April [1974]. Distinguishing himself in that effort is Secretary of State Figueiredo Lopes, whose continued presence in the government means that, given Leonardo Ribeiro de Almeida's traits, the secretary of state will in fact be the real minister. The fact is that no one would have imagined Ribeiro de Almeida, a 61-year-old lawyer, being placed in charge of defense. His excessive rigidity as the head of PSD [Social Democratic Party] congresses, combined with the uncommunicative way in which he performed his duties as speaker of Parliament, gives promise of two things: either there will be conflicts with the military hierarchy or he will play a more obscure role. Figueiredo Lopes will have to handle everyday matters with the chiefs of staff, but when it comes to such touchy issues as budgets, they will wind up dealing directly with the prime minister.

Luis Mira Amaral: Studious Figure

There is apprehension because of Amaral's lack of "political weight." He is a studious man dedicated to research and big analyses. His first political test is already scheduled: it will take place in connection with the state budget and the amounts to be allocated to the Unemployment Fund. Mira Amaral is another of the cabinet's engineers. He is young (only 39 years old) and has not occupied any government posts in the past. He is taking over what was one of the most controversial portfolios in the previous government. And he is inheriting two of the current team's most critical problems: wages in arrears and unemployment. The PSD has made promises about both of them. Will a man with a career as a university professor and head of the Research Group at the National Development Bank be enough to turn those promises into reality? With the UGT [General Union of Workers] divided between support for and opposition to the government and the CGTP [General Federation of Portuguese Workers] now being joined by socialist workers every time it takes to the streets, Mira Amaral is facing a much more difficult period than his predecessors did. But he has the consolation of knowing that Cavaco Silva is open to the idea of increasing social security funds.

Alvaro Barreto: Six to Five

Two months away from celebrating his 50th birthday, Alvaro Barreto has broken an even score by accepting a cabinet post. Five times he has sat on the management councils of state-owned enterprises or firms in which the state holds an interest: LISNAVE [Lisbon Shipyard], SETENAVE [Setubal Shipyard], SOPONATA [Portuguese Tanker Ship Company], TAP [Portuguese Airlines], and SOPORCEL. And this is the sixth time that he has been a minister, having been minister of industry and energy, European integration, commerce and tourism, and agriculture and fisheries. He has one of the most extensive backgrounds in government service, with experience that may not be enough to further the

"revolution" that membership in the EEC will require of the superbureaucratic Ministry of Agriculture and Fisheries.

Maria Leonor Beleza: "To the Good Health" of Pensioners

For the second time in Portugal, a woman is taking charge of a ministry. At the age of 36, Leonor Beleza, with a licentiate in law, is being transferred from the Secretariat of State for Social Affairs, where she conducted herself like one of those ministers of finance whose main concern is to count nickels. The objective seems to have been achieved, and at first glance, a praiseworthy job was done: the department recovered thousands of contos in overdue contributions. The rest of it--the fact that poverty-stricken pensioners were being rigorously supervised precisely when the central-bloc government was pursuing a very restrictive policy--seems not to matter. But one of her first acts as minister of health was to make a surprise visit to Sao Jose Hospital, and while that does not necessarily indicate efficient management, it at least has the merit of showing that she is interested.

Miguel Cadilhe: Finance Under Dictatorship

He is not an engineer, but he is from the North, and that is another of this government's innovative touches. In his first public appearance after being sworn in, Cadilhe emphasized that "investment is going to grow at an amazing real rate from year to year." Less than 10-percent growth in private investment is not much in the eyes of this economist, who was a secretary of state under Cavaco Silva in 1980. That may in fact have been Miguel Cadilhe's chief failing: to become simply a secretary of state to the prime minister and be relegated to the background by the "viceroy of the North," under whose command he wound up as secretary of state for planning.

"Financial dictatorship in a democracy" is the favorite subject of this man who was the father of the SIII and since then has devoted himself to the BPA's Research Office. Concentrated in the phrase he likes to repeat are the need to straighten out the state budget and the idea that as long as it is put into good investments, no external deficit is unbearable. He is also the visceral personification of confidence in private enterprise--let Santos Martins take heed.

Joao Oliveira Martins: Digital Communications Again

"I am counting on you" is what Cavaco Silva reportedly told Oliveira Martins when they were through drawing up the PSD's election platform, to which Oliveira Martins had contributed his expertise in the field of transportation and communications. Not convinced that his party would win, the former chairman of the CIT/TLP [General Administration of Post Offices, Telegraphs, and Telephones/Telephone Workers of Lisbon and Porto] agreed. And now here he is a minister for the first time at the age of 51. After leaving the TLP at the end of 1984 because of disagreement with the policy being pursued by the then secretary of state, Oliveira Martins will be able to implement his own policy. For now, that means renegotiation of the "digital communications deal." After that, we will see. Although the current chairman of the Order

of Engineers is not a man accustomed to the ways of ministerial offices--he had already lost FEDER before taking office--he has enjoyed a renowned career as a business consultant. Half a dozen years in Paris (between 1975 and 1980) brought him fame--as well as profit, which he put on hold last Wednesday because of his promise to Cavaco Silva.

Fernando Santos Martins: a Happy Man

The eternally hale and hearty Santos Martins is returning to the government after a very long absence spent at the head of some of the country's largest state-owned enterprises. Santos Martins, 55, has devoted his entire professional life to industry (with a brief interlude at TAP). He is somewhat exuberant verbally and indestructibly optimistic. The PSD expects him to contrast sharply with Veiga Simao and the latter's multiple studies, plans, and other dossiers with their countless pages. While it is certain that he will not be a "professor" of industry, it remains to be seen how far his "charm" will take him as he faces up to the expected restructuring of the half a dozen white elephants in the public sector that come under his ministry. In any case, no one expects him to issue lengthy and irreversible statements about the future of Portuguese industry. The hope instead is that there will be a practical plan for supporting sectors regarded as priorities.

Pedro Pires de Miranda: "Dollar Has Already Been Invented"

While it is true that the man who was roving ambassador for petroleum affairs in 1980 will not feel much at ease in the formal atmosphere of the Ministry of Foreign Affairs, it is no less a fact that Pires de Miranda is Cavaco Silva's real find. At 57 years of age, the former chairman of PETROGAL [Portuguese Petroleum Company] can take pride in having been--along with his friend Ernani Lopes--the great worker in the first big push for negotiations with the EEC. That was in 1979. But even today the Communities are familiar ground to Pedro Pires de Miranda. And as far as foreign affairs are concerned, 1986 is surely going to be the "year of the EEC." Pires de Miranda will not be a grand theorizer concerning Portugal's specific place in the world, but he will certainly be an active participant in meetings by the European Council. Incapable of imagining barter transactions on the trade level--"the dollar has already been invented" is one of his favorite sayings--the new minister of foreign affairs will bring to his ministry something that has long been said to be necessary: representation diplomacy and more economic diplomacy.

Eurico de Melo: Cavaco's Ambassador

Now back in Lisbon again, this northern manager with the paternal look about him (disregarding the fierceness he displayed on television during the campaign) is returning to the Ministry of Internal Administration, a post he held once before in Sa Carneiro's time. He has also been promoted to "number two" in the government, reportedly so that Cavaco Silva will not waste time with contacts where technical competence is secondary and where "humanization" of the conversation is the most important thing. In a sense, it will reportedly be his job to act as Cavaco's "ambassador" to the political class, a task for which the head of the government is not well suited. At his

ministry, Eurico de Melo, 60, will be supported by a young secretary of state named Jose Manuel Durao Barroso, considered a brilliant political scientist in university circles. It is strange, though, that his assistant has been put in charge of the police, since his experience with the PSP [Public Security Police] and the GNR [Republican National Guard] is probably limited in fact to the time when, as a militant in the MRPP [Movement for the Reorganization of the Proletariat Party], he viewed them purely as corporations of fascism.

Fernando Nogueira: the Youngest

Nogueira is the youngest member of Cavaco Silva's team. His political strength has a precise geographic origin: he is from Coimbra, like Mota Pinto (whose successor he is) and so many other notables who are still alive and active in that conglomeration of interests known as the Social Democratic Party. He is also likable, a good talker, and fond of those pithy sentences summing up the kind of country we are and the kind that we can be. He has never definitely won a political battle, but neither has he lost in any of the combats in which he has been involved. Formerly secretary of state for regional development, he now ranks third in the cabinet hierarchy and is a confidant of the prime minister himself. But he is not known to have any close friendships in "Lisbon political circles," where he will be called upon to play a preponderant role in his capacity as minister for parliamentary affairs. Fernando Nogueira therefore finds himself on a stage that is too exposed for someone who prefers to take time to reflect on events. This will not prevent him from adapting his profile to a close relationship with the important figures in the PRD [Democratic Renewal Party]. It remains to be seen whether that is the option being assigned importance by the PSD.

Luis Valente de Oliveira: Gray Eminence

No one knows for certain whether the ministry he will preside over was established for him or whether he was called in for a ministry that no one else could run. He is, without a doubt, the current government's "gray eminence." He is not a minister of finance or of economic coordination, but has taken over planning and FEDER. He is not an out-and-out politician, but has made a name for himself as a "statesman." He is from the North, but he is not provincial, as is attested by his permanent presence in such international forums as the OECD, the EEC, and the Council of Europe. He is 48 years old, held office briefly in the government (in the Ministry of Education), and has many friends in the North. It is said that when he dines at Cavaco Silva's home in the company of Miguel Cadilhe and Pires de Miranda, the Council of Ministers will be in session. Backbiting aside, Valente de Oliveira is the real superminister in the "all-PSD" government. It will very soon be up to him to succeed in the battle of the local elections--and it will not be easy on Buenos Aires Street to swallow the foreseeable recovery by the PS [Socialist Party] on that terrain.

Joao de Deus Pinheiro: Crab Syndrome

The man responsible for a good part of the government program, Joao de Deus Pinheiro, 40, contradicts in practice his statements that politics does not

interest him much. The fact is that he seems to have let himself be dazzled by politics recently. He is staying as minister of education, a fact that may signify proof of confidence as much as punishment, since he will find it more difficult to plead lack of time as an excuse for not overcoming the chaos in his sector. There are schools that do not open, schools that close because of rain, teachers still to be placed, and, as if all that were not enough, he has now been saddled with a sector to which he does not feel attracted: culture. His former colleagues in the teaching profession complain that he is no longer good at dialogue, is acquiring a growing dislike for the less docile teachers, and is earning from them the gibe that his practice corresponds to his sign: the Crab.

Mario Raposo: Vest That Nobody Wanted

For the fourth time, he is taking on the difficult job of trying to make the courts more efficient and the prisons more secure and humane. Mario Ferreira Bastos Raposo, 56, wound up staying in a ministry that nobody wanted, apparently because of rumors of persistent threats against the minister following the operations against FP-25 [People's Forces-25 April]. What this means is that Mario Raposo--as though he did not already have the problem of overcrowded prisons--will also have to worry now about buying a bulletproof vest.

11798

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POLITICAL

PORTUGAL

PRD SEEN ADHERING TO OLD POLITICAL RULES

Lisbon EXPRESSO in Portuguese 9 Nov 85 p 4

[Article by J. C. B.]

[Text] When the candidacy of Vitor Alves for the Lisbon Municipal Chamber was withdrawn because of alleged falsification of signatures, the Democratic Renewal Party [PRD] became worthy of its peers.

This does not mean that the other four main parties have accustomed us to the falsification of signatures on lists of candidates.

But they have accustomed us to different falsifications.

The CDS [Social Democratic Center Party] says it is centrist, but it occupies the extreme right in Parliament.

The PCP, being Marxist-Leninist, has renounced one of the principles of communism: the dictatorship of the proletariat.

The PSD [Social Democratic Party], whose program is social democratic, long ago renounced social democracy.

The PS [Socialist Party], for its part, became famous for having shelved socialism.

It will be said: what similarity exists between those falsifications and the one by the PRD? Apparently none. Those by the CDS, the PCP, the PSD, and the PS can result only in voter disapproval or a stampede out of the party by members. The one by the PRD goes much further because it falls within the purview of the law: it is a police case.

Some similarity will be found, however, through what the PRD stated during its campaign. At every rally, in every pamphlet, and in every televised speech, one concept--perhaps a Victorian one--was stressed: the PRD exuded honesty. The PRD, which was not noteworthy for its ideological clarity, took it upon itself to be the party of the uncorrupted. The PRD, having no ideology, did the impossible in politics: it invented the ideology of honesty.

So while the falsification allegedly committed is serious as a police matter, it is less so from the ideological point of view--which is not to say that it is not serious at all from that standpoint. The PRD was simply following what now constitutes a norm among the major Portuguese parties: a lack of correspondence between theory and practice.

And the PRD has probably learned that a much greater risk is incurred when one adopts honesty as a program than when one advocates socialism or Christian democracy. Because while no one is free of contradictions, it is also true that no old party and no new party can guarantee that among its members and even among its most moralistic leaders, there is not some peddler of influence or even a current or former smuggler of electric household appliances.

11798

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POLITICAL

PORTUGAL

POLL RESULTS ON IMAGES OF PRESIDENTIAL CANDIDATES

Lisbon EXPRESSO in Portuguese 9 Nov 85 pp 1, 4

[Text] Lourdes Pintasilgo and Freitas do Amaral have quite favorable images with the voters, whereas voters seeing shortcomings in Mario Soares outnumber those pointing out his virtues. That is the conclusion reached in a poll conducted by NORMA on behalf of the campaign services of the former leader of the CDS [Social Democratic Center Party]. The poll results, to which EXPRESSO has had access, also indicate that the Socialist leader has the advantage over his two competitors on only one very specific point: his personal prestige.

On being questioned concerning the images of the candidates, the voters interviewed in the poll mentioned chiefly virtues in relation to Lourdes Pintasilgo and Freitas do Amaral and shortcomings in the case of Soares.

Pintasilgo's most outstanding feature is said to be her "likableness"--mentioned by 16.9 percent of those polled. Next came "intelligence" (13.7 percent) and the fact that she is a "good person" (12.5 percent). Other virtues also mentioned are "courage," "competence," "honesty," and "dynamism."

On the other hand, few shortcomings were mentioned. Among those polled, those simply saying they "did not like" her personality outnumbered those making more specific criticisms such as "she talks too much," she is "conceited," or she is "dishonest."

Freitas do Amaral's image is also strongly favorable, but its features are more rational and less emotional. What those polled see in him is primarily his "intelligence" (15.3 percent), his "competence" (14.2 percent), and his "honesty" (13.8 percent). Only then do we come to his "likableness" and the fact that he is a "good person" or "educated."

But in contrast to the situation with Pintasilgo, there are those who point to serious shortcomings in Freitas do Amaral, although the simple fact of not liking him was the negative answer given most frequently. But there are many voters (5 percent) who see "hypocrisy" in him and others who mention his "dishonesty" and his "unlikableness."

Lourdes Pintasilgo



85,7%
14,3%

Likable - - 16,9%
Intelligent - 13,7%
Good person - 12,5%
Don't like - 4,5%
Conceited - 1,6%
Dishonest - 1,4%



Freitas do Amaral



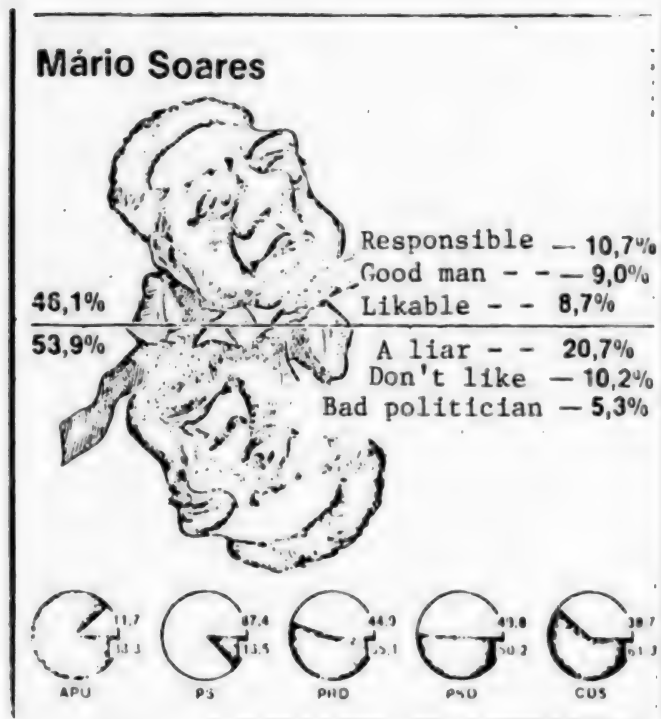
79,2%
20,8%

Intelligent - 15,3%
Competent - - 14,2%
Honest - - -13,8%
Don't like - - 5,2%
Hypocritical 5,0%
Dishonest - - 2,0%



Party acronyms:

APU: United People's Alliance
PS: Socialist Party
PRD: Democratic Renewal Party
PSD: Social Democratic Party
CDS: Social Democratic Center Party



[Party acronyms are expanded on the previous page]

Mário Soares Wins Only in PS

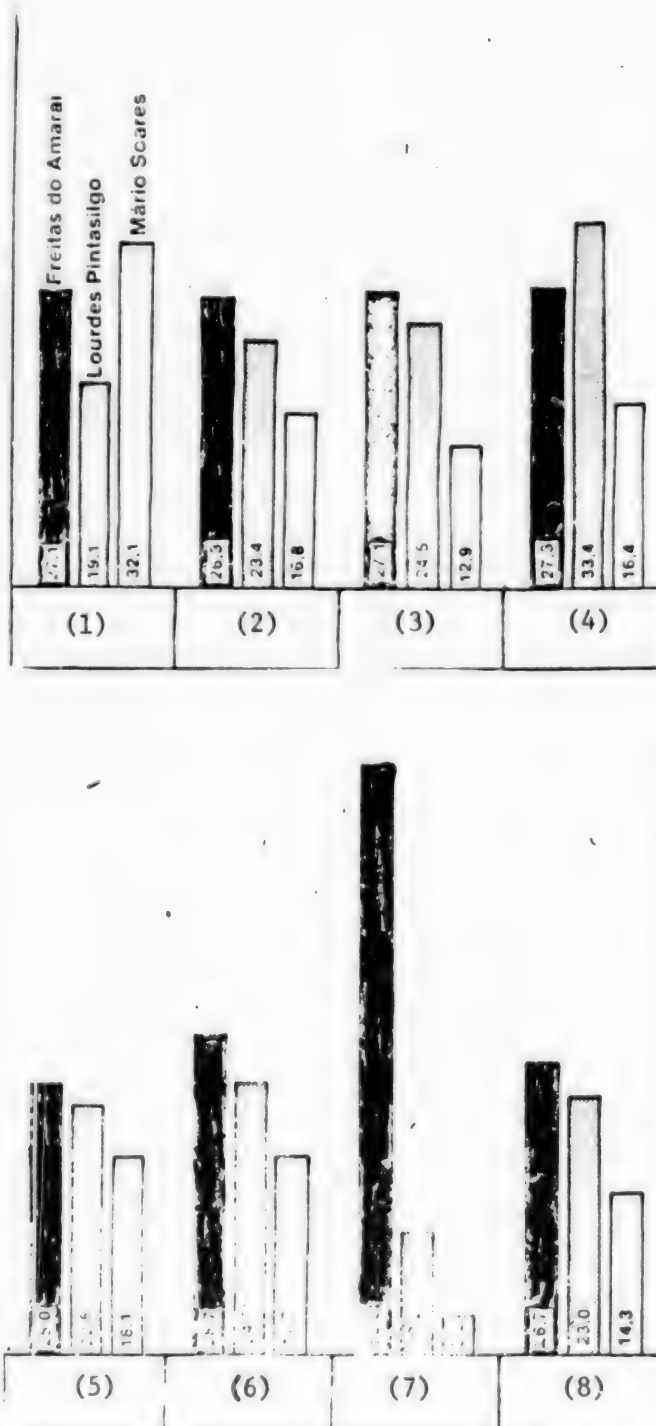
Mário Soares has the worst image of all. He is the only candidate whose perceived shortcomings outweigh his virtues (54 compared to 46 percent) and the one for whom one shortcoming ("he is a liar"--20.7 percent) was the personal characteristic mentioned most often by the voters surveyed in this poll. The other [as published] positive aspects of his personality are that he is a "responsible" person (10.7 percent), a "good man" (9 percent), and "likable" (8.7 percent). On the other hand, a long list of shortcomings was attributed to him: according to the tongue lashing administered by the interviewees, "he is the worst," "he doesn't do anything," he is "inconsistent" and "opportunistic," and he behaves like a "bad politician."

Mário Soares was also the only candidate presenting a negative image to the voters in all parties except his own. Even so, about 7 percent of the interviewees who voted for the PS on 6 October consider him "a liar." His worst score was with APU [United People's Alliance] voters, who consider that the Socialist leader presents many more shortcomings than the former chairman of the CDS. This is true even though Freitas do Amaral scores lowest among Communist voters, where his image is the exact opposite of what it is among CDS voters. As far as CDS voters are concerned, the professor of law seems to have no shortcomings--at least no one mentioned any.

Comparison of Opinions of Candidates

Key:

1. More prestige
2. Greater stability and security
3. More likely to do what he or she promises
4. More likable
5. Better defender of freedom and democracy
6. Closer to the political options of the voters
7. Closer to the church's positions
8. More likely to unite the Portuguese



Freitas and Pintasilgo Have the Advantage

Lourdes Pintasilgo, who is the presidential candidate with the best personal image overall, enjoys special prestige among Eanist voters, but it is certainly interesting to note that she scores better with PS voters--where she does better than Mario Soares--than with the APU's voters. It should also be noted, incidentally, that the Communists especially like Pintasilgo because she is a "good person."

The fact that Pintasilgo's image is slightly better than Freitas do Amaral's is offset by the sum of answers to another series of questions intended to compare the candidates with each other. As can be seen in the graph above, Freitas do Amaral takes first place with respect to six of the eight characteristics considered in the poll, some of which may be important when the time comes to make a voting choice. According to this poll, it is Freitas do Amaral who provides "the greatest guarantees of stability and security," seems "more likely to do what he promises," would best defend democracy, and would be more likely to "unite the Portuguese." On the other hand, "likableness," which is one of Pintasilgo's characteristics, and Mario Soares' "prestige" are qualities which may have a more superficial effect on the way people vote.

(This poll was conducted between 17 and 29 October and covered 989 mainland residents over 18 years of age. The figures are the responsibility of NORMA, while EXPRESSO is responsible for their interpretation.)

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POLITICAL

PORTUGAL

POLL REVEALS POPULAR INDIFFERENCE TO CAMPAIGN, RESIGNATION

Lisbon SEMANARIO in Portuguese 9 Nov 85 pp 60-62

[Article by Margarida Viegas]

[Text] The new Assembly and government that made their debut this week will have to show real genius if they are to change the climate of desolation in which they were elected.

An auspicious sign: the citizens marched to the polls convinced that it would do no good. Impervious to the hard work of the politicians and the marvels of marketing, they ignored the election campaign in making their choices. Although hoping that "their" party would win, they expected a victory by the PS [Socialist Party]--and they were also wrong about the rest. This was not the first time they had been wrong--that is why the majority has admitted to making somersaults with its votes throughout these 11 years. But there is reason to think that in the upcoming local elections, it will confirm the choice it made on 6 October.

Benefit of the Doubt

Do you feel that the elections of 6 October will help
solve the country's problems?

Answer	Percentage
Yes	32.4
No	43.4
Don't know	23.9
No answer	0.3

The Portuguese seem to have voted on 6 October with the same enthusiasm they would show in trying to fill a sieve with water. After all, there is no law against miracles, and who knows: maybe, with God's help, the holes will be plugged up. But nothing is more futile than going to do something with the feeling that it will do no good and, having done it, to still feel the same way. When the thing in question is voting, the word "futility" can be usefully replaced with the word "danger."

The PS--which fought with a now-understandable desperation against the holding of these early elections--was not alone in its prediction that they would not help solve the country's problems. The natives are not stupid, and, political preferences aside, they felt exactly the same way. Although their own problems are not political--but rather are more modest dramas such as employment, subsistence, housing, and the other usual things--they have learned by now that until the political problems have been put to rest, no one is going to pay attention to the problems that matter to them. And in the smoking ruins of the earthquake of 6 October--since NORMA's interviewers were on the attack with their questions the very next week--4 out of 10 adults showed skepticism concerning the prospects for different and better days.

At the same time, optimism in the Cavaco Silva or PRD [Democratic Renewal Party] camp could easily come up with a more cheerful interpretation of this current poll: between the 32.4 percent who are clearly hopeful concerning the usefulness of those elections and the 23.9 percent wanting to "wait and see," there is a majority which is giving the new government at least the benefit of the doubt. Cavaco's period of grace is not going to be denied him.

But it will not be a liberal one. It is not astonishing that in the six cities polled, disbelief should have reached its peak in Evora (where 49.9 percent expect nothing good), having been hammered into existence by propaganda from the APU [United People's Alliance], which was loudly demanding elections on the grounds that a new government with a new policy was needed but which, following its holy rule, always finds each new government worse than the last.

Probably greater perplexity will be caused by the finding that the greatest discouragement was revealed by the highest socioeconomic class, where a solid majority of 52.3 percent feel that the elections did no good. What is this, you fine people? After all, you may be worried about the presidential election, and you have already read in the newspapers that there will be new legislative elections in 1986--but even so, your attitude shows discourtesy toward the big winner on 6 October.

In any case, and putting it in less radical terms, hopelessness--or an uneasy reserve--extends to the moderately well off and the poor, to men and women, and to the old as well as the young--especially the latter, 46.2 percent of whom expect no relief from their afflictions. If Cavaco's government eventually brings some comfort to all of this, that comfort will have the very special savor of gifts that one was not expecting.

"Us" in Power!

Which seems better, or less bad, to you: a) a minority government by "your" party or b) a majority government by a party or parties that you do not like?

Type of government preferred	Percent
Minority government by "my" party	45.7
Majority government by "them"	39.3
No answer	15.1

The poll we published a week ago already provided crystal-clear proof of the general aversion to mixtures: it should be recalled that an absolute majority of interviewees said that rather than confused coalition governments, they preferred a government based on a single party and able to implement its program without hindrance so as to show what it was worth or not worth (and with the corresponding reward or punishment).

One might suppose that the Portuguese are thereby pining implicitly for a new election law favoring an absolute majority of seats in Parliament for the party winning an election. But it turns out that they are content with less.

Since the question was a little obscure, let us explain it. The intention was to find out from the citizen whether he considered it better for the country to have a government formed by the party preferred by him personally—even if that were a minority government and consequently, as some would say, a shaky one—or a government under the responsibility of less likable parties but one with the advantage of being in the majority and stable.

There is no doubt: by a vote of 45.7 percent to 39.3 percent, our compatriots are more satisfied with a minority government, but one they approve of, than they are with a majority government they do not like. Stability yes, but not at any price! Instability with "our" people is better than stability with "theirs."

Although that is the dominant opinion, it is nonetheless beneficial to draw attention to the high percentage—nearly 4 out of 10—who put stability first even though that stability is not based on their own party preferences. And it is interesting that Coimbra, Evora, Vila Real, and Viseu—that is, the cities representing more or less the "real country" in this poll's universe—should adopt that patriotic attitude. The leader is Evora, where no fewer than 69.2 percent aspire to see a majority government regardless of which parties that majority consists of!

In other words, the hardline choice of a government by "our people" does appear as the overall average, but in fact, it is pushed into that position by the weight represented by Lisbon and Porto—with the rest of the country (or rather, the other four cities) disagreeing.

On the other hand, the golden rule of an attractive minority government is shared by different generations and by all social strata. It merely needs to be pointed out that in the highest social group, there is absolute predominance (51.2 percent) by those feeling that it would be more beneficial for the nation to have "their" party in power, even if it had to contend with a majority opposition.

But the sexes part company on this point of doctrine. The women, extremely loyal to their elected representatives, want to see them in power (49.8 percent) on any terms, while the men (44.9 percent), more realistic, see more future in a majority government, even one they do not like, than they do in a minority government to their liking (41 percent). They know that no business is going to move ahead as long as governments are falling every year.

Portrait of National Mistaken Predictions

How did you expect the five largest parties
to rank in the election results? (percentages)

Party	R a n k i n g				
	1st	2nd	3rd	4th	5th
United People's Alliance	4.0	7.3	27.2	26.2	14.7
Social Democratic Center Party	1.9	5.6	13.9	19.5	39.0
Democratic Renewal Party	9.9	18.4	17.1	17.5	17.9
Socialist Party	37.9	22.4	7.9	9.9	6.2
Social Democratic Party	32.4	30.3	14.5	5.1	0.5
No answer	13.4		19.4	21.7	21.7

Well, as far as preelection forecasts are concerned, the polling institutes, which were so gloriously wrong, have the complete solidarity of the people: the prevailing conviction before 6 October was that the PS was going to win the elections--an outcome that apparently would have made many people unhappy, since 37.9 percent expected it but only 20.7 percent wanted it to happen, as we saw on the day of truth.

The PSD [Social Democratic Party] was expected to come in second, but here the figures certainly reflect the lottery atmosphere that prevailed before the elections, the reason being--look closely at the table, since describing it is difficult--that more citizens were convinced that Cavaco would win (32.4 percent in the first column) than thought that he would wind up in second place (30.3 percent in the second column). The forecast that the PS would win was simply so prodigious that it surpassed expectations concerning a victory by Cavaco. And on the question of who would come after that, opinion divided: the number believing that the PRD would enter the scene as the second-largest national party doubled to 18.4 percent [compared to those expecting it to be first], while the number predicting second place for the PS shrank to 22.4 percent.

Pursuing their path of delusion, those polled had become convinced that third place would go to the APU (an outcome predicted by 27.2 percent). But--big surprise!--by some logic that regrettably escapes us (compare the third column in the table with the fourth column), the APU turns up again as the main candidate for fourth place, leaving the PRD definitely out of the running! And in fifth and last place (here, at least, those polled guessed correctly), is the CDS [Social Democratic Center Party], as predicted by 39 percent.

There turns out to be a plausible and not very original explanation for this bizarre arithmetic: no one knew where to put the PRD. Look at the line for the PRD, and you will see that apart from the superoptimistic 9.9 percent who were dreaming of Herminio Martinho as prime minister--so much for brass--the percentages predicting second, third, fourth, or fifth place for the PRD are all extremely similar, ranging from 17 to 18 percent.

One touching aspect of the poll is that no fewer than 4 percent of those polled lived until 6 October in the belief that the Communists would actually win the elections. There were also--a tip of the hat to them!--1.9 percent

who were such inflexible supporters of Pires that they expected the CDS to make a clean sweep! As counterpoint to that, 6.2 percent were so very mean-spirited that they actually predicted fifth place for the PS--perhaps because the poll did not ask them about sixth place.

Some details: Coimbra, Evora, and Viseu were correct in predicting Cavaco's victory. Women, young people, and the rich were also clairvoyant in that respect. But no city, sex, generation, or pocketbook was able to guess that the PRD would wind up in third place.

Reader Lives on Hope Until...

Did you hope that the party you
voted for would win the elections?

Answer	Percent
Yes	61.4
No	32.5
Did not vote	4.4
No answer	1.7

And the most amusing thing is that since every human being is a combination of brain and heart in inextricable doses, 61.4 percent said they had nourished hopes of an election victory by the party they voted for! This is where we surrender. If 37.9 percent took it for granted that the PS was going to win, if only about 20 percent voted for the PS, and if less than 30 percent voted for Cavaco--how the devil could nearly two-thirds of those polled imagine on 6 October that they were backing the winning horse? And how could it happen in all six cities and regardless of sex, age, or social status? We are not challenging sociologists here: only psychoanalysts and other experts on the subconscious will be able, perhaps, to penetrate these depths of voter psychology.

No Need To Tire Oneself out

Did the election campaign influence your vote?

Answer	Total
Very much	3.4%
A little	29.7
Not at all	60.8
Did not vote	4.2
Don't know	1.7
No answer	0.2

It's enough to break one's heart--think of the rivers of money spent on the campaign (although keeping in mind, by way of consolation, that the money came to rest in the pockets of our compatriots in "show biz," printing, design, and marketing)--and look at that discomfiting figure of 60.8 percent of our citizens whose votes were in no way influenced by the campaign. Desolation! Does this mean that the candidates caravanned through the dust of the roads and wore out their hands with handshakes--without anyone paying any attention to them?

The figures are there. Precipitate suicide in the face of such cruelty should be weighed against the satisfaction to be gained from pointing out that on the other hand, and despite everything, the campaign did have some effect on one-third of the population. Even more comforting is the suspicion that the campaign had tremendous influence--and that people were just not aware of it.

But how can one accept the self-sufficiency of 65 percent of the men (the women admit, despite everything, to being less impervious) and 73.2 percent of the rich when they proclaim that the campaign did nothing for them? One has two choices: either to decide that they are lying shamelessly or to try to conduct different campaigns in the future.

Television Rules

What interested you most about the campaign?

Answer	Total
Televised debates	48.0%
Television and radio coverage	40.4
Street posters	3.4
Parties and rallies	12.6
Reading newspapers	4.9
Auto caravans	3.6
None of it	16.4

Another lesson to think about is that taught by the relative importance assigned to activities in the context of that campaign which neither excited nor cooled the enthusiasm of most citizens. What counted by far the most, and despite everything (according to 48 percent), were the televised debates--even though they had to be staged according to the ethical dictates of the Media Council, which threw out ordinary journalistic standards (suspected, as it happens, of sinful pro-PS contamination). Although bored, the nation did not miss a minute of the debates it was possible to serve up. And it paid attention. Especially worthy of note is the profound impression made on the least privileged socioeconomic classes by those three-way face-to-face encounters between Cavaco, Almeida Santos, Cunhal, and Lucas Pires--which penetrated deeply into 75 percent of the poor, who were surely bewildered by such propriety in language.

The Portuguese (or 40.4 percent of them) also kept up with the broadcast time that the RTP [Portuguese Television System] sandwiched in between its two most popular programs: television news and soap operas. They probably also thought about the radio propaganda entering through their ears when they did not feel like turning off the set.

Parties and rallies (the distinction is complicated) stirred people up (12.6 percent), but it should be noted that those events were most popular with the middle class (15.2 percent) and the women (16 percent).

As far as street posters are concerned, the verdict is clear: they are not worth the trouble. They moved no more than 3.4 percent of the population--and at the cost of so much paste, so much member activity, and so much art! But

ignore the fact that newspapers--how discouraging, since we ourselves are a newspaper--did not do much better: fewer than 5 percent of those polled were sensitive to the tremendous effort by the press to inform.

Appeal for Change

How many times have you changed your vote
in the six parliamentary elections since 1974?

Answer	Total	C i t y					
		Lisbon	Porto	Coimbra	Evora	Vila Real	Viseu
Once	28.9	26.2	36.1	30.4	23.2	48.3	19.2
Twice	14.3	15.0	14.6	10.5	5.0	17.0	12.4
Three times	4.0	3.4	5.0	1.4	3.8	26.8	6.5
Four times	.6	.7	-	.7	2.0	-	4.1
Five times	.2	-	-	-	6.3	.8	-
Never	41.9	52.7	14.3	45.7	52.1	3.4	27.5
Never voted	2.0	2.0	1.9	3.4	2.0	2.5	1.3
Don't know	.2	-	-	3.8	.9	-	-
No answer	7.8	-	28.1	4.1	4.7	1.1	29.0

The Portuguese make their own decisions on how to vote and have done so since 1974--or at least they enjoy that sweet illusion. An impressive total of 41.9 percent say they have never been turncoats, and that represents considerable persistence in view of a history of six elections to the Assembly of the Republic and six consequent disasters (or five, if we consider that the first Parliament's "only" job was to draw up the Constitution).

Even so, that is higher than the percentage of those who became disillusioned and tried something different at least once (48 percent). Long live the young Portuguese democracy (and down with hackneyed phrases) in which the voters are in fact no one's feudal property. The 28.9 percent who changed parties only once in 11 years are no mystery: one has only to remember the large number of genuinely antisocialist votes that went to the PS in 1975 in a desperate attempt to stop Vasco. Then there were the famous floating voters who supposedly deserted Soares in 1979 and 1980 to support Sa Carneiro in their thirst for a majority and for peace--only to return with their heads down in 1983 because of their distrust of Mota Pinto's all-inclusiveness. That group may include the 14.3 percent who switched their vote twice. The alluring difference represented by the PRD in these latest elections probably also made its contribution to the ranks of those two groups of fickle voters.

The 4 percent who changed their vote three times provide wide scope for speculation: did their path lead them from the PS through the AD [Democratic Alliance] and back through the PS to the PRD? Or from the MDP [Portuguese Democratic Movement] through the PCP and the APU to the PRD? Let us lay aside conjecture--it is said that the job of newspapers is to inform. As for the 0.6 percent who changed banners four times and the 0.2 percent who changed their minds five times--unbeatable!--let their respective families seek an explanation and try to calm them down.

Lisbon (52.7 percent) and Evora (52.1 percent) hold the absolute record when it comes to loyalty and consistency. At least they say they do and that newspapers have muddied the waters. Vila Real, where only 3.4 percent say they have never changed their vote, is the least predictable--nearly half of that city's population (48.3 percent) has changed parties at least once, and 26.8 percent have done so three times! The next most frisky city is Porto, where 14.3 percent have remained indefectible through six elections and where 55.7 percent have been fickle.

Men are more steadfast as voters than women are (46.6 percent of the men have voted obstinately for the same party, compared to loyalty by 37.7 percent of the women), and the same is true of older people in comparison with the young (37.5 percent of those under 45 years of age show unflagging loyalty, compared to 46 percent among those older than that). By socioeconomic class, party loyalty varies in inverse proportion to what one owns. Whereas 55 percent of those in the large lower class always vote the same way, that percentage shrinks to 41.4 percent in the middle class (where almost one-third have changed their minds once and 12.4 percent have done so twice) and to 37.3 percent among the well off (of whom 21.7 percent have changed heroes once and 25.3 percent have done so twice).

The more spare time a person has for reflection, the more he concludes that he made a mistake in the past.

Local Elections: Majority Persists

In the local elections, do you intend to vote for
the same party that you voted for on 6 October?

Answer	Total	C i t y					
		Lisbon	Porto	Coimbra	Evora	Vila Real	Viseu
Yes	76.4	80.5	72.5	55.0	68.5	66.5	69.0
No	9.8	8.9	12.1	8.6	10.7	14.2	9.3
Did not vote	2.2	1.7	1.2	10.7	4.8	4.4	1.3
Don't know	11.3	9.0	13.4	23.7	14.1	14.9	19.2
No answer	.4	-	.8	2.0	2.0	-	1.3

But apparently, 2 months are not enough time for metaphysical reflections: in the upcoming local elections, 76.4 percent of those polled--a respectable majority--intend to vote the way they did on 6 October. And at 80.5 percent, Lisbon turns out to be particularly firm in that intention--although when the poll was being conducted, they did not know that their promising PRD candidate was going to decide not to be a candidate for the Municipal Chamber.

At any rate, nearly 10 percent of those polled say straight out that in the local elections, they intend to vote for a different party or coalition than the one they chose in the legislative elections. That is the intention of 12.1 percent of those in Porto, while the figure rises to 14.2 percent in Vila Real. And to that we must add the 11.3 percent who are undecided. Does this reflect a movement to correct the excessive punishment meted out to the PS? Or more simply, does it reflect the influence of local factors?

The middle class seems to be the group most determined to stick to its choice to the end: 78.9 percent in that class say they will vote the same way this time, and only 6.2 percent intend to change. On the other hand, more than one-fifth of the rich (20.6 percent) and 15.8 percent of the poor plan to switch their vote.

What conclusion should we reach? None. After the shock of 6 October, only the most foolhardy would risk making more predictions.

Technical Data

Universe: Portuguese population over 18 years of age residing in the cities of Coimbra, Evora, Lisbon, Porto, Vila Real, and Viseu. Sample: 604 individuals. Sampling: random, stratified by city, nonproportional imputation. Selection: Random, using the random route method to select homes and the Kish method to select the individual to be interviewed within each home. Technique: direct and personal interviews at the interviewee's home, using a structured questionnaire. Sampling points: six cities in which starting points were selected. Fieldwork: interviews conducted during the period between 9 and 16 October. Margin of error: At the total level, the error is +4 percent in a confidence interval of 95 percent. For P = 50 percent. Institute responsible: the poll was conducted by NORMA, Inc., the Portuguese member of Gallup International.

11798

CSO: 3542/31

POLITICAL

PORTUGAL

COUNTRY SEEN ARENA OF U.S. - USSR CONFRONTATION

Lisbon TEMPO in Portuguese 6-12 Dec 85 p 2

/Editorial by Nuno Rocha/

/Excerpts/ A psychological analysis of Ramalho Eanes can be made only by those who know him privately. For politicians in general, Eanes continues to be an enigmatic and undefined figure. He supports Salgado Zenha together with the entire military left and the PCP /Portuguese Communist Party/, just as he stimulates businessmen from the North and others who visit his home. When he awards decorations, he selects both men of the left and of the right. Through the voice of Melo Antunes, he does not allow persecution of the communists following 25 November, just as he later facilitated the return of Americo Thomaz to Portugal. In preparing this analysis, it is important to evaluate the consequences of each of these attitudes displayed by Eanes. When he prevents persecution, even only ideological persecution, of the communists he is rendering a service to the left: When he allows Americo Thomaz to return to the country, he is not benefitting the right. Are we facing a new Kerenskiy? Or will Eanes--in the midst of the storm that will follow the presidential elections--manage to stick firmly with the national interest?

While Eanes is very much the key to present-day Portuguese problems, there is another figure that rises at this same level. He is Cavaco Silva, head of an administration that continues to enjoy significant credit among national public opinion. The rigor with which he faces the various difficulties arising in front of him has turned Cavaco Silva into a dominant personality during this historical epoch. When he picked Cardoso e Cunha to be a member of the EEC Commission, Cavaco Silva once again gave an idea of what his action will be. He disdained the politicians and gave his confidence to a technician. ...Cavaco devotes himself to government tasks day and night. He has practically abandoned party activities and devotes himself to the practice of a policy of results. This is why he had to divorce himself from the campaign of Freitas do Amaral, the candidate with whom he had entered into an agreement and whose victory is indispensable to the success of his policy. Oddly enough, the future of Portugal is in the hands of two antagonistic men: Ramalho Eanes and Cavaco Silva. If Salgado Zenha should win the elections, Ramalho Eanes will have the way open to become chairman of the PRD /Democratic Renewal Party/ and then to prepare the assault on the Constitution, thus building the presidential system that will give him an authoritarian role in the

country. If Freitas do Amaral wins the election, Eanes will have suffered a defeat. On the other hand, Cavaco Silva will have managed to hold on to his national development project which he hopes to complete by the end of the decade.

Our intentions and our anticipations are one thing but reality is another thing. A new bitter battle is shaping up in Portugal between the United States and the Soviet Union. The situation is not the same in Spain where there are domestic ideological currents that face each other once the Communist Party has been wrecked. The liberal economy blueprint which Cavaco Silva wants to implant in Portuguese society will not be successful if Salgado Zenha wins the elections because that would mean that the country's economic fabric will be completely torn apart. The administration will have to analyze a national situation that will feature a depression. Optimistic words are not enough. With every passing month, more and more enterprises owe more to social security, to the unemployment fund, and to the treasury in general. The number of enterprises which are behind on their wage payment keeps going up day after day and the situation is becoming chaotic during this month as a result of the payment (if possible) of the Christmas bonus. Government economists were talking about an increase in investments but that increase did not materialize. Interest rates continue high and enterprises are not making any profits simply in order to pay the interest. On that score, we are in the realm of utopia. When people said that the administration could increase retirement benefits, we did not expect that there are still retirement pensions in Portugal--for the most part, which are on the order of 3 and 6,000 esc. Without a basic revolution, the country will not make any progress even with the serious and competent decisions made by Cavaco Silva and his excellent administration. How are Portuguese enterprises going to cope with their liabilities if access to credit is to be made difficult by the bureaucracy? The banks are making loans which require more and more guarantees and that limits the financial operating room of those who want to get out of the crisis. A retiree today should not get less than 40,000^{esc} per month and bank loans should not call for an interest rate of more than 10-12 percent for somebody to be able to think in terms of taking a risk and making an investment. We know that these goals are not possible right now but the important thing is to know that the country will emerge from the gigantic crisis in which it is now only if we reach those goals.

What is the meaning of this analysis and what is the relationship between the crisis and the presidential elections? The fact is that the economic problem cannot be solved if the political problem is not also solved. This solution involves the presidential elections and this explains the anxiety and panic which these problems trigger among national public opinion; this can be seen in the commentaries in the newspapers and in the articles by foreign newsmen who report on the real situation such as it exists in Portugal.

Well, now: What do we have to do? We have to help the Cavaco Silva administration in implementing a result-oriented policy without delay, in the expectation that Freitas do Amaral, with its support, will win the January elections. We must not oppose Mario Soares, allowing him also a chance of winning, since through him it will perhaps be possible to amend the Constitution and save the Socialist Party from destruction and from being encircled by the PRD and the

PCP. These suggestions are aimed at defending only the national interest and they are not directed against any person. A new deadlock in Portugal's political situation, deriving from the coming presidential elections, will doom to misery another two or three generations, in addition to our own.

5058

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POLITICAL

PORTUGAL

BRIEFS

AMARAL-COMMISSIONED POLL RESULTS--A NORMA poll commissioned by Freitas do Amaral's campaign service and covering about 1,000 individuals shows Amaral as the winner in the first round and Pintasilgo as the best-placed candidate in the second round. The poll, which was conducted after support by the PSD [Social Democratic Party] was officially announced, indicates that Freitas do Amaral's score has improved in comparison with previous polls and that Pintasilgo has suffered a slight setback. If the first round were a contest only between the three candidates already in the race, Freitas do Amaral would win with 29.7 percent, Pintasilgo would be in second place with 28.6 percent, and Soares would come in third with 15.9 percent, thus being eliminated immediately. About 12 percent would be undecided. If Costa Braz also took part in the first round, the results would not be very different, since that former candidate would not obtain more than 1.3 percent, leaving Pintasilgo's hegemony in the Eanist area intact. The poll indicates that in the second round, Soares would still be the loser and Pintasilgo the winner, although, as we said, her margin of victory would not be as wide as indicated in previous opinion polls. The result is that Soares would lose both to Freitas do Amaral (26.3 percent to 35.3 percent) and to Pintasilgo (25.1 percent to 36 percent). The big clash between Pintasilgo and Freitas do Amaral would result in a victory for Pintasilgo (38.3 percent to 34.2 percent), with the special circumstance that Freitas would win in the smaller urban centers and in the North. [Text] [Lisbon SEMANARIO in Portuguese 9 Nov 85 p 64] 11798

CSO: 3542/31

POLITICAL

SWEDEN

VPK, SOCIALISTS REMAIN AT ODDS OVER POLICIES

Stockholm DAGENS NYHETER in Swedish 11 Dec 85 p 10

[Article by Ake Ekdahl: "No Rapprochement Between Social Democrats and VPK"]

[Text] There are no signs of any rapprochement regarding economic policy between the administration and the VPK [Left Party-Communists] in Parliament. This was concluded both within the administration and by the VPK after the first and only meeting between them at Rosenbad.

The talks took place at the request of the communists, who want information about how the administration intends to conduct its economic policies over the coming 3-year period. The VPK refuses to be regarded as a spare wheel in Parliament to which the government can resort when the nonsocialist parties form blocs.

According to the VPK, the administration should adapt its policy so that the "worker majority which is present in Parliament after the election" can form a basis for an equitable distribution policy.

Participants from the VPK in the meeting were party chairman Lars Werner, party secretary Kenneth Kvist, member of Parliament Jorn Svensson and member of Parliament Lars-Ove Hagberg. The latter has openly criticized the party leadership for jeopardizing the VPK profile through excessively cheap agreements with the Social Democrats.

The administration was represented by Deputy Prime Minister Ingvar Carlsson, Finance Minister Kjell-Olof Feldt and deputy parliamentary group leader Ivar Nordberg.

Both sides gave an account of their positions regarding economic policy and were able to state that the distance between them was tangible. The VPK pushed for the distribution policy and demanded greater economic margin for income earners below the so-called break point, that is to say annual income for full-time workers under 120,000 kronor. The administration reported on its anti-inflation policy and its goal to reduce the budget deficit.

No concrete proposals in the upcoming national budget were discussed. One concrete topic of discussion involved the collective affiliation issue. The

matter will be discussed in Parliament this spring, and the VPK announced to the government that the communists remain by their opposition on principle. The difficulties for the VPK this year are that it is no longer enough to abstain from voting when the nonsocialists bring up demands for a statutory prohibition.

After a bite of food and coffee the participants ended the meeting without giving each other any guarantees for the future and without deciding on any new rounds of negotiations.

11949

CSO: 3650/87

POLITICAL

SWEDEN

LIBERAL PARTY CONTINUES POST ELECTION RISE

Stockholm DAGENS NYHETER in Swedish 18 Dec 85 p 8

[Article by Dick Ljungberg: "Liberal Party Has a Tail-Wind"]

[Text] The Liberal Party continues to sail with the voters' tail-wind, while the Conservatives and Social Democrats have been losing since the September election. In November the Liberal Party had 17.9 percent of the votes, according to the Central Statistical Bureau's [SCB] party preference poll.

About 9,000 persons were interviewed for the poll during the period 28 October-20 November, that is to say before Center leader Thorbjorn Falldin stepped down.

The SCB's figures (with the September election result in parentheses): Center Party 9.7 (10.1), KDS [Christian Democratic Union] 1.8 (2.3), Liberal Party 17.9 (14.2), Conservatives 20.4 (21.3), Social Democrats 43.6 (44.7) and VPK [Left Party-Communists] 5.1 (5.4). The gains for the Liberal Party and the losses for the Conservatives and Social Democrats since the election are statistically assured.

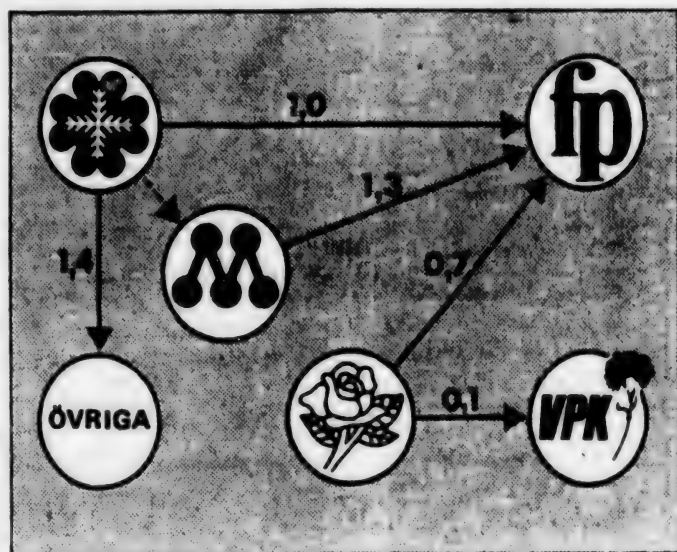
Backward

The difference between the blocs is very small and not statistically significant. The socialist bloc would have received between 48.0 and 49.3 percent in an election in November as against 47.3 to 48.7 percent for the non-socialists, excluding the KDS. This means that the socialist parties have suffered a statistically assured loss of 0.8 to 2.1 percent since the election.

The Liberal Party's gain since the election lies between 3.0 and 4.4 percent and is based on statistically assured net gains from both the Center Party and the Conservatives as well as the Social Democrats. About 1.3 percent of the net gain comes from the Conservatives, about 1 percent from the Center Party and about 0.7 from the Social Democrats.

The Center Party's slide since the election is not statistically assured. In addition to the losses to the Liberal Party a smaller net flow has gone to the Conservatives as well since the election. The 0.4-1.9 percent Social Democratic loss since election is statistically certain. In addition to a loss of votes to the Liberals, they also note a small net flow to the VPK.

In comparison with the corresponding SCB poll in May this year, the Liberals have gained strongly in all population groups based on age, sex, families with children, professional groups and regions. The Conservatives show losses in most groups compared with May. The Center Party does too, to some extent, but they were already in a poor position 4 months before the election.



This is how the statistically assured net flows have passed between the parties from the September election this year until November, according to the SCB. Example: The Liberal Party got 1.3 percent of the voters from the Conservatives. The Center Party's outflow to "other" parties contains mostly KDS votes. A broken arrow means that the flow is statistically assured in direction but not in size.

The Liberal Party Is Gaining

As an example may be mentioned that since May the Liberals have gained in all age groups and have at least doubled their share in most. The Conservatives, on the other hand, have lost significantly in all age groups up to 65 years.

In comparison with May the Center Party and the Conservatives have suffered clear losses among civil servants, while the Liberal Party has gained. The Liberal Party has even gained clearly among the farmers.

The Liberal Party made its election gains above all in the major cities and that trend continues. In Stockholm municipality the Liberals got 15.8 percent in the parliamentary election and now, according to SCB in November, it has about 20.3. In the election the Conservatives got 30.2 in Stockholm municipality, but they get about 26.3 according to the SCB. In Stockholm county the changes for both parties have been smaller since the election. In the SCB's poll in May the Liberals had about 7.2 percent in Stockholm county, and the Conservatives about 39.0.

11949

CSO: 3650/87

POLITICAL

SWITZERLAND

YOUTH POLLED ON NATIONAL, INTERNATIONAL PROBLEMS

Geneva JOURNAL DE GENEVE in French 3 Dec 85 p 4

[Article by Therese Obrecht: "Survey in Switzerland: The World Seen by the Young People"]

[Text] More than 500 students have taken part in a survey on the theme "the world in which we live," compiled by two sociologists within the framework of the International Year of Youth.

Commissioned by the Swiss committee for UNICEF, the DDA (Directorate for Coordination in Development and Humanitarian Aide) and the Third World school service, Monique Dirsch-Cahannes and Uli Tecklenburg, presented last week (see our issue of 28 November), the results of their survey. We are publishing below an interview with the two researchers who summarize the objectives, methods, and conclusions of their work.

[Question] What was the objective of your survey?

[Answer] The three commissioning organizations have already been working in the schools, particularly in the field of information on the Third World. They wanted to define their "public target" in order to know better in which context to place their activity. They wanted to state clearly, in a systematic way, the perception, knowledge, opinions, and attitudes of young people in relation to the world about them and to define to what extent they are tied to social conditions as well as scholastic environment.

[Question] Can you summarize the main findings of this study?

[Answer] The essential point perhaps is that preconceived ideas have been questioned. For example, the idea that presumes that as knowledge increases, so does the inclination to help countries of the Third World also increases. The responses to our questionnaires show that a majority of girls and of younger students demonstrate a desire to act, which is born of a sentiment that we have called "unsophisticated justice," which is motivated especially by religious values (helping one's neighbor). For these students, these

values appear almost as important as the feeling of being in harmony with their family and social surroundings, including their friends.

[Question] How did you proceed?

[Answer] We chose three classes divided proportionally (in relation to the total population) in the three linguistic regions, with quotas assigned by canton and by level of education. Then we selected randomly any class in a given school. We received 39 refusals primarily because the municipal authorities were opposed to the survey for lack of time, etc. The questionnaires written in three languages--the Romansch section unfortunately could not be included for financial reasons--were distributed to the teachers and filled out by the students who had not been prepared for this exercise. Overall, 5,023 students from the 7th, 8th, and 9th grades participated anonymously in the exercise. The average age ranged from 13 and a half to 15 and a half.

[Question] How did you handle the results?

[Answer] First we codified the 35 questions so that later we could deal with them by computer at the Universities of Geneva and Lausanne.

[Question] What approach did you take?

[Answer] By taking various approaches we tried to compile the picture the Swiss young people have of the world and of their own country. One of the first questions introduced 14 problems that they had to assign either to the world in general or to Switzerland. The problems of the world in general have to do with one's own survival; while those of Switzerland have to do with an assured way of life.

[Question] How do you account for the visible regional differences in the two tables shown below?

[Answer] We have no rational response to that question. The perception of reality is in no way what reality is, at least not all reality. It involves instead a social structure that may change in space and in time, according to a person's social standing. Often it also involves finding a scapegoat. For example, take the case of drugs of which the residents of Tessin are so acutely aware. This awareness is perhaps due to the fact that the use of drugs is more a problem when it is socially visible. There are no large cities in the Canton of Tessin; the use of drugs is then more visible and its control is more strict than elsewhere. Let us add here the proximity of Milan, a central point for the traffic in drugs, and the fact that we made our survey at the time of the "pizza connection" revelations.

Along side these "objective" reasons, however, the fact remains that it is the girls, particularly, who are concerned about this problem (although it is a well-known fact that they use much fewer drugs than boys), which tends to indicate the existence of a socially structured problem.

[Question] Let us go on to the perceptions of the Third World considered to be a "poor and starving Africa" in the eyes of the young Swiss. You also sense a certain contempt linked to a feeling of superiority. Where does this stereotyped and simplistic impression come from, one that is apparently so widely held among our adolescents?

[Answer] First, it can be said that it is those students from lower social classes who, following a well-known pattern, show a contempt for those who are at an even lower social scale than their own. This contempt, moreover, ties into the analyses compiled for customers from the ultra nationalist parties and is explained by the fear and the rivalry that exists in the work place and the home.

We then established that students from the Romansch and Tessin regions have a more formal or bookish knowledge of the Third World. German-speakers have a more "informal" or practical knowledge.

[Question] Can you be more explicit?

[Answer] We asked students what recent event in the Third World is it that they remember. More than one student out of four (27 percent) recalled no event. There were large regional differences (24 percent in German-speaking Switzerland; 33 percent in Romansch-speaking Switzerland, and 34 percent in Italian-speaking Switzerland). Fifty-one percent of the young people cited hunger (generally in the Sahel or in Ethiopia). Other events recalled were marginal in comparison with the predominance of hunger; 14 percent cited catastrophes (Bhopal, an oil refinery explosion in Mexico, floods in Bangladesh), and 10 percent cited wars (especially the Iran/Iraq war).

[Question] Is this difference between a "formal" and "informal" knowledge indicative of the educational system in the various linguistical regions? For example, is there a greater curiosity among the German-speakers who obtain their knowledge from other sources of information?

[Answer] That may be the case; however, it can also be said that the analysis of the students' responses from the Tessin and Romansch areas--who explain Third World poverty by the fact that the area has been exploited by the rich countries--shows the students to be more politicized and structured. Moreover, they (the students) are more inclined to get involved than their German-speaking comrades. To take this reasoning further, we should add that a more open access to the media, perceptible in the German-speaking area, does not, however, lead to a greater desire to get involved.

[Question] But, in another connection, you prove that the level of knowledge does not necessarily affect one's getting involved....

[Answer] That is right, we said it above. Those who are better acquainted with the world situation--the older boys who attend a superior type of school--cannot make a decision to get involved. Are they waiting for a change in policy or have they resigned themselves to facing the seriousness of the world's present problems? And if we are the ones who ask the question, it is because another survey would be required to answer it!

The World's Main Problems

Problem	[in percent]			
	Switzerland Total	German Switzerland	Romansch Switzerland	Italian Switzerland
Hunger	69.8	69.7	70.7	68.9
Environment	50.6	58.5	30.0	25.1
Armament, war	41.2	41.4	39.7	42.7
Unemployment	30.5	30.8	29.5	32.4
Inequality	24.5	24.9	22.5	22.5
Drugs	21.8	20.2	23.0	45.3
Racism, xenophobia	20.6	15.7	36.3	22.0
Overpopulation	10.2	14.3	10.1	7.7

Hunger is by far the main problem for the young people in all the linguistical regions. Above all, it is the girls and the younger students who are sensitized to it, while the older students and those from a higher social level are particularly worried about armament, war, and the environment.

Switzerland's Main Problems

Problem	[in percent]			
	Switzerland Total	German Switzerland	Romansch Switzerland	Italian Switzerland
Environment	72.8	78.3	59.2	51.9
Unemployment	48.5	48.7	44.6	67.8
Drugs	43.3	45.3	33.9	58.7
Too many foreigners	33.1	31.8	38.0	28.7
Racism, xenophobia	18.9	15.2	31.9	11.4
Egoism, individualism	18.3	17.0	22.4	17.6
Young people's problems	17.3	17.9	15.0	21.3
Life's problems in common	13.5	13.1	15.0	12.4

A third of the problems affecting Switzerland are scored higher, above all, by the German-speaking students, by the mere fact of their numerical predominance. A relative analogy is established between Romansch-speaking and German-speaking Switzerland, except that the overpopulation of foreigners in Switzerland is more of a concern to the former than to the latter. Swiss Italian-speakers place unemployment in second [as published], not drugs.

The pamphlet "The World in Which We Live" (80 pages) will be distributed by the Third World Schools Service, 10, Chemin des Epinettes, 1007 Lausanne, Telephone: (021) 26 84 33.

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MILITARY

DENMARK

NAVY'S OPERATIONAL COMMAND CHIEF OPPOSES MOTHBALLING SHIPS

Copenhagen AKTUELT in Danish 15 Dec 85 p 12

[Article: "Navy Operational Command (SOK) Boss Thumps the Table"]

[Text] The war of words over the future of the two Danish frigates in the navy is bursting into flames in the periodical FORSVARET I DAG [THE ARMED FORCES TODAY], in which one of the most ardent advocates in behalf of the frigates, the commander of the Navy Operational Command in Århus, Rear Admiral Jørgen F. Bork, says that he "is completely unable to understand the fact that in certain political quarters in this country" aversion has been expressed toward there being frigates in the navy henceforth.

Jørgen Bork has been so ardent a spokesman in behalf of the frigates that the other day in the same political quarters he was strongly criticized for his contribution to the debate.

The background for the debate regarding the frigates is the fact that according to the armed forces compromise between the government parties and the Social Democratic Party they are to be put in "mothballs" next year. That is, the old frigates will retire from active service but can be brought into action in case the need for them should arise.

Jørgen Bork substantiates Denmark's continued need for frigates by the fact that the navy in case of war cannot count on the air force's being able to afford sufficient protection against attacks from the air on ships, for which reason ships themselves must carry weapon systems to combat these enemy planes. And such weapon systems are found only on larger ships, including frigates.

8831

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MILITARY

DENMARK

NEW PEACE RESEARCH CENTER TO STUDY 'DEFENSIVE MILITARY'

Copenhagen BERLINGSKE TIDENDE in Danish 15 Dec 85 Sect III p 7

[Article by Jørn Mikkelsen]

[Text] Abuse is being showered on the newly established Peace and Conflict Research Center in Copenhagen, which studies Denmark's possibilities of setting up a 'defensive military.' The staff at the center regard the criticism as an indication that the defense debate in this country is making progress.

Seas are running high in connection with the newly established Peace and Research Center at Vandkunsten in Copenhagen.

In the course of the last few months, the center has caused such a reaction to its ideas on an alternative 'defensive military' as to make Defense Minister Hans Engell feel compelled to write two entire columns in BERLINGSKE TIDENDE recently, following the latest move on the part of the Peace and Conflict Research Center.

In his commentary, the minister stated outright that 'defensive military' is a concept "introduced more or less as a slogan by circles closely associated with the neutralist section of the peace research movement, the actionist section of the Anti-Nuclear Arms Movement and the political left wing."

Nor does the Defense Command think much of the center and its activities. A constant flood of accusations, stamping 'defensive military' as "wishful thinking," "hopelessly amateurish," and "primitive ravings," emanates from Vedbæk.

"Cocksure"

The center has taken many knocks and is only now learning how to escape unhurt.

"Most of those attacking us do not know what they are talking about or what it, actually, is that we are working on in this center. They act in an unbelievably cocksure manner and, certainly, do not contribute to furthering

the open debate on Danish defense of which we are in such an urgent need and which we, at this center, consider our foremost task to promote. Admittedly, however, the critics, sometimes, come up with questions which we consider relevant and find should be included in our research," says Anders Boserup, assistant professor.

Anders Boserup is in charge of the project on defensive military which is one of the two projects on which the center is working, and the most explosive one. The other project concerns nonmilitary aspects of European security and is headed by the West German Egbert Jahn.

The four other members of the staff are university graduates in geography, social sciences and history, and a couple of them are involved with the peace movement.

Triennial Research Program

After some tug-of-war, the majority of the Folketing agreed in 1984 to the proposed Danish Peace and Conflict Research Center. It started in January of this year but has only begun its work in the course of the summer.

Critics are of the opinion that it was due to the lack of qualified applicants for the six positions at the center.

The research program is triennial and has 9 million kroner at its disposal. Part of the funds will be spent on the publication of a periodical which is to be the forum for the ideas concerning an alternative to the present defense. The said periodical, KRIG & FRED, is scheduled to appear 4 times annually, and a journalist of the daily INFORMATION will become its editor. Critics point out that, although the target audience, ostensibly, will be ninth and tenth grade students, folk high schools, political parties, peace movements and organizations, it is so difficult to gain access to it that only the initiated will have a fair chance.

Peace research is a new discipline in this country, but it has been in progress abroad for many years. Best known is the Norwegian peace researcher Johan Galtung, who, as early as in 1959, established a peace research institute in Oslo, and who has subsequently launched the discipline in a number of other West European countries.

Definition for Peace

Another well-known peace researcher is his Danish disciple Jan Øberg of the University of Lund [Sweden]. He is the one who defines peace as follows:

"The permanent social process, the purpose of which is to develop security and ensure the development of the whole human being and all human beings on the basis of a model of needs(!)"

Indeed, peace is a complicated matter, and others have got different definitions.

The absence of war, the absence of violence (national, international, social, etc.), justice.

The concept of peace has become expanded of recent years. Peace may now also be the absence of structural violence. On this aspect, Hans-Henrik Holm of Aarhus University states in the most recent issue of KRIG & FRED:

"In choosing to spend more money on expanding our network of motorways rather than on admitting an increasing number of refugees into Denmark, we commit structural violence, in that we treat one group (owners of automobiles) better than a group of homeless, persecuted people. Peace is not compatible with such structural violence. To peace researchers of today, peace has become an almost universal term, synonymous with the term justice. Where there is justice, peace prevails."

On the other hand, scholars totally disagree on the definition of justice, Hans-Henrik Holm admits.

The Center and the Socialist People's Party

Anders Boserup scouts the charges against the Danish Peace Research Center of carrying on political research.

"What we are trying to do is to draw the attention to certain things which may become part of an open and factual debate on the future of the Danish military. We hope very much that the Defense Establishment will participate in this debate, and we feel that things have slowly begun to move. We are not claiming to have a ready plan for rearranging our military, but we are working on certain ideas which are aiming in a different direction from those which have hitherto prevailed within the Danish military."

He recognizes the sharp distinction between the nonsocialists, who clearly oppose the idea of a defensive military, and the left wing, ranging from the Social Democratic Party and farther to the left, who are more positive to the idea, but he rejects the idea that the center would be pulling the strings for the Socialist People's Party in connection with the security policy debates in the Folketing.

"That is really ludicrous. The Socialist People's Party is entirely divided, and there simply is no unequivocal idea of what defensive defense actually means. There are many different interpretations, but the main objective is the same, viz. to indicate to a potential opponent that we cannot and will not wage an offensive war. Incidentally, I assume that there is nothing wrong about having a political affiliation, provided that what one does otherwise results in a qualified debate. Our task is to develop an expertise and a knowledge by which the politicians may benefit if they want to."

Anders Boserup goes on to say that he does not find the distinction between opponents and advocates of a defensive military as sharply defined as indicated by the public debate.

"Every month, we conduct seminars, in which a number of military people, civilians of different opinions and peace researchers participate, and in these seminars we, actually, have a constructive debate which does not reflect the heated articles in the newspapers," he says.

Discard F 16 Fighters

And what about the content of the doctrine on a defensive military. As stated earlier, there is a good deal of confusion, much disagreement and far from clear answers to everything. But these are the main features.

The aim is to rearrange the military from being offensive in its structure to becoming defensive. That is to say, we have to set up our military in such a way as to persuade the Warsaw Pact that Denmark and Western Europe cannot wage an offensive war.

"It is true that, from a political point of view, NATO is defensive, but we have got lots of weapons which may be used offensively. The problem is that there is a historical tradition for the military leadership of the Soviet Union to find itself surrounded by enemies, whose sole aim is to invade the Soviet Union. The leaders within the Kremlin will have to be made to set their minds at ease about us in the West and to feel certain that not even the most critical situation will release an attack."

In order to achieve this, we shall have to decentralize the structure of, and the decision-making process within, the military, get rid of a number of our present weapons, for instance the F 16 fighters, and arrange our military in a such a way that it aims exclusively at fighting an enemy invading our own territory.

The country will have to be divided up into small geographical units, each of which will be responsible for its own defense. Each unit will be defended by very few, professional soldiers with ultramodern weapons, which will make things difficult for an intruding enemy but which may be difficult to trace and destroy, as it may only be a question of three or four men.

At the same time, a number of precision missiles will be deployed, targeted on the areas where a major enemy operation is in progress.

That is to say, if the enemy tries to land in Køge Bay, long-range missiles, deployed throughout Zealand, will be targeted on Køge Bay, destroying the invading army.

On the other hand, if a couple of enemy tanks are sighted in the vicinity of Køge, it will be the task of the local unit to destroy them.

"If there are military operations in Køge Bay, it is not at all certain that they will affect the residents of Funen," Anders Boserup says.

Network of Resistance

"The great advantage of such a system is its decentralized structure. Today, the enemy merely has to drop a couple of missiles on the Defense Command at Vedbæk and a couple of other places to put Denmark more or less out of action. By decentralizing the warfare into tiny units, it becomes exceedingly difficult for the enemy to wage war. A network of resistance will have to be deployed which will wear out the enemy and not give him a chance to deliver a decisive blow against our military," says Anders Boserup.

He rejects the idea that small, flat Denmark would be difficult to defend on the basis of this tactic.

"On the contrary, it is an advantage. The enemy has difficulty defending himself in the middle of a flat field, and he will never know when one of the small, very mobile military units will attack. In addition, how is it possible to distinguish between a supermarket truck and a truck carrying missiles? Our high degree of urbanization is a great advantage to us as it makes it more difficult for the enemy to locate our resistance units."

He is doubtful of the idea that the Warsaw Pact would be so superior, as far as equipment and the number of troops are concerned, that a military, based on these principles, would be doomed ahead of time.

"An attack on Denmark will never be isolated. It will take place as part of an action, probably against the entire Western Europe, and the worst fighting will take place in Germany. The Warsaw Pact forces will probably, at the most, be twice as large as ours, and that, actually, will make it possible for us to wear them out if we set up a network of resistance groups."

The research group at the Peace and Conflict Research Center admit that they still have not found the answer how to tackle the superiority in the air of an invading force by means of a defensive military if the idea is to abolish the Danish Air Force.

"We have to have strong anti-aircraft defenses, but which targets would the enemy aircraft actually be aiming at? For the resistance will be split up into numerous units. It is, of course, possible to hit a unit here and there, but each unit consists only of three to four men. The point is that the enemy will never be able to overcome the resistance."

Nor do they have any clear idea of the effects that a war, based on these guidelines, would have on the civilian population.

"We constantly seek new problems and answers. It is no use ignoring the fact that the present arms race between East and West may end up in a nuclear disaster. We have to seek new ways," says Anders Boserup.

He would like soon to see regular field maneuvers based on the idea of a defensive military in order to test the theories in practice, but he recognizes the fact that it may very well take some time for Denmark to succeed in persuading NATO to abandon its traditional maneuvers and rearrange them along the defensive lines.

7262

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MILITARY

DENMARK

BRIEFS

ADMIRAL PRAISES WOMEN SAILORS--The experiment with women on the navy's ships has gone well, believes the commander of the Navy Operational Command, Rear Admiral Jørgen F. Bork. However, with a single exception: ships on North Atlantic cruises. "It is not appropriate to have mixed crews on long cruises with long absences as we see, for example, on Greenland and the Faeroes, and it is really not surprising that long absences can provide an occasion for the game between the sexes and jealousy, and what results from this; so I think that this should be avoided," Jørgen Bork tells the periodical FORSVARET I DAG [THE ARMED FORCES TODAY]. The navy has just concluded an experimental period of a few years in which women, as an exception, could do service on board ships. [Text] [Copenhagen BERKINGSKE TIDENDE in Danish 15 Dec 85 p 12] 8831

CSO: 3613/49

MILITARY

FRANCE

LOW PRIORITY OF TANKS IN DEFENSE BUDGET DISCUSSED

Paris LE NOUVEL ECONOMISTE in French 8 Nov 85 p 91

[Article by Philippe Gazier]

[Text] Are French battle tanks one war behind? For having publicly stated this truth, known to all experts, Gen Philippe Arnold, commander of the First Armored Division, has been relieved of his command by Defense Minister Paul Quilès and replaced by Gen François Beaussant. This punishment leaves the real question unanswered: why, since a long time ago, has armor not been among the Ministry of Defense's priorities? Is it always to be sacrificed for simple budgetary reasons? Or, though no one says so, is it that its vulnerability to modern weapons is regarded as having decreased its value? A coincidence: this debate hits the headlines at the very moment that a "new" tank was about to reach Gen Arnold's unit--the last to receive it, it is true.

This equipment was obtained by transforming the good old AMX 30, the French heavy battle tank of which 3,200 units (more than 1,500 for export) have been ordered since 1965. The principal improvements effected are: automatic gear-shift, automatic fire control, night vision system and 105 mm rocket-assisted projectiles. One thousand of the 1,200 present AMX battle tanks thus will be modernized at a per unit cost of 7 million francs, half the price of a new B 2. But the military will only get what it pays for: the performance of this B 2 is below that of the German Leopard 2, British Challenger or American Abrams M 1, to say nothing of the new Soviet tanks.

Not until 1991 will the French Army have a heavy armored vehicle. Already called "principal combat machine" (EPC), this vehicle will function in close association with helicopters. To the present, 1.2 billion francs have been authorized for a program of research and development on it; 2 billion more will follow between now and 1990. Credits for production will get underway in fiscal year 1987.

These sums are ridiculously small in comparison with other important military projects: in comparison, for example, with the 40 billion for a future combat aircraft. They are at the same level as French participation in the anti-tank helicopter joint project with the Germans.

The fact that the necessary funds for designing a new tank could not be mobilized sooner has often been explained by the failure of the French-German tank

project at the end of 1982. This is a convenient excuse. The truth is that, since the beginning of the 1960's, the authorities have given priority to nuclear defense over conventional weaponry. The tank has been one of the chief victims. This may be the consequence of French armor's particular situation, half the armored forces being based outside the national redoubt, in the FRG.

With regard to armor's strategic effectiveness, two opposing these have been developed. One is based on the danger of the deployment of Soviet tanks, which could only be countered by other tanks. The other on the increasing effectiveness of anti-tank weapons, which reaches its maximum with the neutron bomb, capable of killing the tank crew without destroying the tank. Even when provided with sophisticated radio equipment, it seems the tank, used alone, is extremely vulnerable unless it has the advantage of close support. Whence its linkage with the helicopter.

Whatever the case, the opposition members of the Chamber of Deputies will take advantage of Gen Arnold's statements to call into question the credibility of government defense policy during the debate on the budget.

This is a good tactic, even if the budget for weapons hardly suffers from the restrictions imposed on government expenditures generally (+2.6 percent for equipment acquisitions).

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MILITARY

FRANCE

DEBATE ON DEFENSE STRATEGY ADVOCATED

Paris LE FIGARO MAGAZINE in French 16 Nov 85 p 142

[Editorial by Alain Griotteray]

[Text] Resignation of Gen Copel, who declined to become Air Force chief of staff, resignation of Gen Delaunay, the Army chief of staff, arrest and subsequent resignation of Col Arnaubec (Spartacus) and reassignment as punishment of Gen Arnold, commanding general of the 1st Armored Division--the armed forces insist on talking, on warning the government, which does not listen, on alerting the French people. Anything goes! Uneasiness has taken possession of first the heads, then the hearts of our highest military leaders. In times past, some of them (I am thinking of Maj Loustaunau-Lacau around 1936) were subjected to the worst punishments for opening their mouths, without being able to make the country heed them. On the other hand, others were severely criticized after the defeat of 1940 for having, because of discipline or weakness, remained silent. Financial crisis, moral malaise, political corruption? In 1981, it became apparent that the army was truly a national army. It served, as was right, the new majority. Considering the policy determined by men who called themselves representatives of the Left, the public saw with surprise and satisfaction that, in defense matters, President Mitterand, like his two predecessors, was wearing Gen De Gaulle's boots. Was the Left in 1981 then both revolutionary and patriotic? In any case, it forgot its promises to shorten further the term of military service and Charles Hernu began to incur the disapproval of some Leftists. At the same time, he began to win the approval of a part of the Right, that part that was satisfied by appearances and that so readily gave its heart to Daladier. Nevertheless, as early as 1981, during the honeymoon period, when Laurent Fabius was minister of the budget and when the Socialists were unrestrictedly increasing government expenditures...as early as 1981, only military expenditures were blocked. The Right consoled itself with the idea that at least they did not decrease.

But when, in 1983, austerity was introduced, the effort to repair the damage had its impact everywhere. The Army felt the full force of the cuts. Flight hours continued to decrease for the Air Force; in the Army, the days spent on maneuvers fell below the days of leave...replacement of materiel envisaged by the law outlining the program fell further and further behind. His foot on the brakes, the minister of finance imposed savings on all sides. And more and more, our Air Force, our Navy and our cavalry hesitated to pit themselves against our allies in joint exercises.

This financial crisis was aggravated by moral malaise. The Army was used overseas, in Chad and Lebanon, in questionable circumstances: assault troops were used as stationary guards in the service of political objectives that the nation and therefore the Army did not understand. Is it to be the elite forces' mission to die assassinated by the PLO without offering resistance? Then came the deplorable "Greenpeace" incident. The Army got the impression it was being thrown to the wolves by the government, for the prime minister and minister of the interior did not hesitate to appease public opinion and a foreign power by making public the names of officers belonging to the secret services--a momentous first!

Nobody can take pleasure in these difficulties. The Army's problems are France's problems. With a budget representing less than 4 percent of the Gross Domestic Product, it is impossible to have a complete defense posture. One cannot have at the same time an army endowed with strategic and tactical nuclear weaponry, equipped with modern tanks and helicopters and provided with an effective combat air arm, all supplemented by a navy capable of ensuring the defense of our interests abroad, in the Caribbean, Africa, the Indian Ocean and the Pacific. Only the United States and Soviet Union have the size and will to be fully operational in all fields. By refusing to make choices, France--whatever the color of its government--condemned itself to have not armies but only samplings of armies...endowed, moreover, with outdated equipment. It is always disagreeable to make choices, because doing so implies giving up something. Either giving up something or exercising a little imagination and willpower. In the first place, the defense of Europe must not remain frozen in place. West Germany does not have the same obligations overseas as we do. Thus, it can devote all its efforts to what is called conventional warfare. With regard to its principal partner, France can undertake commitments concerning nuclear sanctuary and its expansion. Valery Giscard d'Estaing's decisions regarding the neutron bomb must be confirmed and implemented. Thus, our country would focus its efforts on nuclear defense, including tactical nuclear weapons, and modernize its instrumentalities for action overseas without trying to compete with its partners in conventional land and air weapons. Staying with the present course insofar as modern arms, satellites and lasers are concerned, involving our neighbors in this and dividing up the other tasks. These are the subjects of the great debate that would arouse the interest of the French people in their defense. Gen De Gaulle succeeded in mobilizing public opinion concerning "the bomb," a situation necessary and sufficient at the time in order that France not "allow routine and illusions any longer to invite invasion." Nobody doubts that "the eternal demagoguery, eternal routine" are again coming out into the open. Gen De Gaulle today would propose to the country, as he did twice, that it pursue new means for its defense. For our part, we should remember that the weapon is only as good as the hand that wields it. That hand is the one the people choose when they are conscious of what is at stake for their future.

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MILITARY

NORWAY

FIGHTER PILOT DRAIN WORSENS, ONLY ONE SQUADRON OPERATIONAL

Oslo AFTENPOSTEN in Norwegian 6 Jan 86 p 4

[Article by Liv Hegna]

[Text] The fighter pilot crisis in the Air Force is getting worse every day. Four out of five squadron leaders have been offered civilian jobs. Only the 334th squadron has its full complement of fighter pilots. Some of the other F-16 squadrons have only half as many pilots as they have planes. The squadron leader of the 331st squadron in Bodo told AFTENPOSTEN that. The commander of air combat forces in North Norway, Major General Odd Swang-Rasmussen, said that the Air Force is awaiting the Defense Ministry's final move concerning measures to deal with the pilot crisis.

When asked if there were plans to combine some squadrons to give them more pilots, so that there are other fully operational squadrons besides the 334th, Major General Swang-Rasmussen replied that this is something the Air Force will have to decide after it has seen the Defense Ministry's proposals. Odd Swang-Rasmussen said this would be sometime in January.

Defense Ministry secretary general Caspar Stephansen told AFTENPOSTEN that he has no comment on when the ministry would be ready to present the "package" to be offered to defense pilots.

Bonus System

Defense Ministry undersecretary Odmund Hammerstad stressed that if the international situation requires it, pilots can be recalled from civilian life and given a brief refresher course so they can fly F-16's. "We can also recall Norwegian instructors from the United States," said Hammerstad. He said the ministry has started a process that will make the bonuses offered to pilots more flexible. The original idea was to offer 20 pilots under the age of 35 a bonus of 1.2 million kroner if they promised to stay in the armed forces for 15 years. "We may decide on fewer years of service and lower bonuses to match, but we may also offer a bonus to older pilots," he said. The Defense Ministry is now working on a "package" that will be offered to the pilots the defense system considers to be absolutely essential to the Air Force. This will probably apply in particular to more experienced pilots. AFTENPOSTEN has been told that several military pilots have already

expressed interest in arranging with the armed forces to perform squadron duties for which they are qualified even though they can no longer serve as active pilots.

Wage Struggle

Undersecretary Hammerstad also said that the pilots' demands have been part of a wage struggle all along. "The Defense Ministry has been forced to put on the brakes out of consideration for other personnel categories in the armed forces. The pilots receive a very costly training while they have plans all along to go into civil aviation," he said.

Doesn't this mean that the Air Force has not been very good at selecting suitable pilots but has simply looked at their grades?

"It is undoubtedly necessary to examine the whole range of selection methods more closely with regard to finding the most suitable pilots. The most reliable indication of low motivation is that so few apply for a military college education aimed at a career in the armed forces. Military college applications have been at a low level for a long time and the alarm should have been sounded much sooner," said Hammerstad.

Major Lorentz Skueland told AFTENPOSTEN that with the low number of pilots Norway has today the Norwegian Air Force has lost its credibility in NATO. Pilots are leaving the Air Force all the time. NATO has a standard of 1.2 pilots per plane and Norway has had only half that number for a long time now. Although newly-trained pilots fill the gap somewhat at the bottom, the total number of fighter pilots in Norway has declined constantly.

Major Stueland stressed that there is also a shortage of technical personnel in the Air Force. He thinks it is almost too late to do anything about the situation now. "It takes a long time to build up a core of experienced pilots," he said.

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MILITARY

PORTUGAL

DANGER IN ARMED FORCES' 'SURVIVAL' SITUATION

Lisbon DIARIO DE NOTICIAS in Portuguese 7 Dec 85 p 24

/Text/ The armed forces are in a situation " 'of survival' which puts national defense at risk," concluded the participants in a conference which ended in Lisbon yesterday.

"The funds allocated to the armed forces during the past decade have shrunk year after year and this did not make it possible to re-equip and modernize the armed forces," it says in the document containing the conclusions of the 3-day conference on "Economy, Defense, and National Independence."

The document emphasizes that, "since it is the mission of the armed forces to provide for military defense as the ultimate expression of national defense, the state owes it to them to provide the means necessary for the accomplishment of that mission and that includes money."

Organized by the Association of National Defense Course Students and the Association of Portuguese Economists, the conference was attended by various military and civilian officials, including the four former finance ministers, the former and present governor of the Bank of Portugal, among other government officials.

The participants concluded that there is still general dissatisfaction among the Portuguese regarding expenditures that are apparently not tied to a rise in the living standard, as in the case of defense and particularly the armed forces.

"This philosophy means that one overlooks the question of national independence and sovereignty, the country's low level of defense and security," the announcement adds.

The document also observes that Portugal is the NATO country with the smallest contributions to the common effort, "even considering the difficulties in the level of wealth and economic development among the partners."

The conference defended the idea that budgeting for the defense effort should also involve consideration of strategic armed forces planning in terms of economic planning.

MILITARY

SWEDEN

ARMED FORCES SEE ADVANTAGES IN RELYING ON CIVILIAN FACILITIES

Stockholm DAGENS NYHETER in Swedish 11 Dec 85 p 9

[Article by Lennart G. Johansson: "Cooperation on Resources"]

[Text] The military should not occupy itself with matters which civilian society can do better. But if the military has resources which cannot be utilized, then civilian authorities should be allowed to share.

Spreading that message has been the task with which the government charged the Armed Forces' Rationalization Institute (FRI). Evidently with some measure of success, judging by an initial report.

The military regiments were once individual little societies, self-sufficient in most things; their own hospitals, libraries, workshops and sports facilities. Today the conscripts live half the time in the civilian society, with permanent night leave and other things. And we cannot afford double sets of service, the FRI says.

The FRI has begun by trying to coordinate resources for military units, municipalities and county councils. This has gone so well that one now wants to go further and include other authorities, such as SJ [Swedish State Railroads], the Post Office, the Telecommunications Agency, the Road Administration and the police.

Enthusiasm

"We are surprised over the enthusiasm we encounter," says Eva Francke, one of the project leaders.

The fact that the military without resistance has relinquished so many of its sole rights at various installations can possibly be explained by the harsh economic climate. Faced with the threat of abolishing regiments it does not hurt to have as many roots as possible in society.

Similarly, municipalities and county councils have experienced that it is possible to save large amounts by utilizing military facilities or by investing in joint new structures.

I 3 in Orebro has a military depot in Kilsbergen which is only used 4 months out of the year. Since it is located on a lake with swimming, it is attractive for sports and open air activities. The municipality graciously accepted.

Closed Hospital

In Eksjo the military hospital has discovered that it is profitable to close over weekends and transport patients to the civilian hospital. The costs of switching hospital rooms is so low that the military saves 100,000 kronor a year.

In Orebro the military buys diesel oil together with the municipality and the county council, and the profits are 500,000 kronor.

In Eksjo the military repair shops will accept vehicles from the municipality, the county and possibly various national authorities. A balancing act, since private repair shops must not be squeezed out.

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MILITARY

SWEDEN

ARMY STAFF SUBMITS WISH LIST FOR 1987-92

Stockholm DAGENS NYHETER in Swedish 14 Dec 85 p 7

[Article by Anders Ohman: "This Is What the Supreme Commander Gets for the Money"]

[Text] If 50,000 soldiers who are part of the Army's 10 infantry brigades are to have good anti-shrapnel protection--then the 1987 defense decision has to include the supreme commander's highest alternative. This gives the Army 45 billion kronor for the years 1987-92. At the lowest level of financing there is no room for anti-splinter protection.

This was pointed out by the Army staff in an analysis of the needs of the Army units in the coming years up to the turn of the century. The wish list also includes better combined exercises between brigades and battalions, a new tank, better ammunition and increased mechanization. This is needed in order to match the armament of the rest of the world, in the opinion of the Army leadership.








The soldiers need anti-splinter cover in order to cope with the cluster bombs which are dropped by aircraft and the fragmentation grenades which are fired with long-range artillery. These weapons cause great harm to unprotected soldiers, vehicles and arms. So-called submunitions spray out and cause mass destruction.

Simplified Care

A good anti-splinter cover also relieves the burden on the medical organization and provides favorable psychological effects, the Army Staff maintains.

The anti-splinter cover consists of lightly armored vehicles and protective vests for the soldiers. In particular infantry brigades which have to fight in open and more unprotective terrain need good anti-splinter protection.

The new Armored Vehicle 90 is a light vehicle with great fire power and high mobility, combined with protection. The vehicle is to be included in the mechanized battalions. They are to be deployed against airborne landings in upper Norrland.

	Level	 Basic training	 Refresher courses	 Tank developm.	 Anti-shrapnel prot.	 Battalion air defenses	 Antitank helicopters	 Medium-range air defenses
Supreme commander's own proposal	sup. com's	expanded	full	yes	10	yes	4	8
Expanded defense capability	Plus	limited expansion	full	yes	3	yes	3	4
Lowest defense capability	PP	unchanged	full	yes	developm. procurem.	yes	2	4
Reduced defense capability	lowest	unchanged	differentiated	no	no	Upper Norrland	2	2

The table shows the Army Staff's view of how the various budgetary levels in the supreme commander's long-range plan affect the wartime units. The figures in the "anti-shrapnel protection" column indicate the number of brigades which receive such protection at that level, 1 brigade = about 5,000 men. The figures in the "Antitank helicopters" column refer to the number of companies which receive them; 1 company = about 150 men.

The "Medium-range air defense" column refers to the number of battalions receiving such defense; 1 battalion = 500-1,000 men. In the "Level" column the supreme commander indicates the highest budgetary level, PP = program plan, the 1985 budget level; PLUS and LOWEST, respectively, are levels above and below the program plan.

The Army leadership is of the opinion that there is no space for anti-splinter protection in the lowest budget alternative of the long-range plan. Not until the supreme commander's highest budgetary level can anti-splinter protection be completely developed for 10 brigades.

The Army receives 45 billion kronor (1987-92) and 48 billion kronor (1992-97) at the supreme commander's highest level. The lowest level gives about 40 billion kronor (1987-92) and 39 billion kronor (1992-1997). The so-called program plan level, PP, provides approximately 41.5 billion kronor for 1987-1992 and the same amount for 1992-97.

The supreme commander's level is 124 billion for all of the Armed Forces as against about 111 billion at the lowest level--a difference of 13 billion (1987-92).

For the period 1992-97 the supreme commander's level is about 135 billion, while the lowest level is about 111 billion kronor--a difference of 24 billion kronor.

In the supreme commander's highest alternative the Navy will get 19.5 billion kronor and in the lowest 17.5 billion (1987-92), and 20.6 billion kronor and 17.3 billion kronor, respectively for 1992-97.

The Air Force gets 43.3 billion kronor in the supreme commander's highest alternative and 38.6 billion kronor in the lowest (1987-92), and 46.1 billion and 39 billion kronor, respectively, for the period 1992-97.

Decision in 1987

OB 85, as the long-range plan is called, is to form the basis for the 1987 defense decision, which Supreme Commander Lennart Ljung has said will become "a watershed" for Sweden's defense capability.

The Army Chief, just as the chiefs of the other military branches, has submitted his reservations against the lowest alternative.

Under the lowest alternative the Army would have major difficulties defending southern and central Sweden, the Army Staff says.

The Swedish soldier then, he who is going go into battle to defend Sweden, what goals does the Army have for him--what will he get in order to cope as well as possible with the combat environment?

"We must see to it that the Swedish soldier will receive good and effective training. We will put the best conceivable weapon in his hands. Then he will get a protection which gives him reasonable chances of surviving," says Lars Olof Strandberg, brigadier general and planning chief at the Army Staff.

Air Attacks

The Army's combat units are expected to meet an attacker who has access to many airborne landing units and helicopter-borne assault units.

The attacker has mechanized, easily movable units with a high level of protection adapted to combat in road-less terrain. These forces are supported by attack and transport helicopters and coordinated air and support units.

The wartime units of the Swedish Army includes more than 700,000 men, 35,000 women and 100,000 Home Guardsmen; 20 priority brigades form the core. These are Infantry Brigade 77, Norrlands Brigade 85, Armored Brigade 63 and one mechanized brigade.

Various Levels

"I judge that the debate about the budget for the defense lies somewhere between the program plan and the plus level," says Lars Olof Strandberg.

In a confidence-inspiring manner the military must explain to the general public and the politicians how more money will affect the defense capability. More money to the Army means more weapons and better training--less money means cuts.

The large and expensive Vastgrans combat unit exercise in February this year showed the usefulness of exercising in large units. Deficiencies were revealed in night-time combat and in mobility.

"Such shortcomings make it more difficult for us to solve the tasks in war. There is risk that the losses will be higher," says Lars Olof Strandberg. He wants more major exercises.

The Army leadership is quite satisfied with its weapons. Good weapons manufactured in Sweden are the Bill antitank missile, Howitzer 77 and Missile 70. A new automatic carbine, the 5.56-mm caliber AK 5, a high-speed weapon, is to replace the AK 4 and the machine gun. The replacement will cost about 1 billion kronor and is to be completed at the end of the 1980's. The soldier will get an easily portable weapon with great firepower.

New Radio

The Army expects a great deal from a new troop radio model 8 000. It uses a frequency hop technique that is difficult to jam and it is easy to carry. The brigades' Swedish-manufactured all-terrain vehicles for combat in wilderness terrain are considered world class.

A troublesome question for the Army is how to get money to invest in a new combat tank for the late 1990's. The development of such a tank costs 7-8 billion kronor. It costs just as much to buy it from abroad.

The Army chief and the supreme commander agree that the priority should be on Combat Vehicle 90, anti-splinter protection and development of modern ammunition, as well as modernization of older tanks. The present 101/102 Centurion models and the 103 are to hold out in a modernized condition until the end of the 1990's.

The opposing side's development of combat vehicles is very intense. Greater mobility, increased fire power, better armor are new features on the modern tank.

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ARMS INDUSTRY FACES DEBATE AT HOME, DECLINING MARKET

Bofors Suffers Export Loss

Stockholm MANADSJOURNALEN in Swedish 12 Dec 85 pp 51-53

[Article by Claes Lofgren: "The Arms Trade; Bofors Squeezed Between Politicians and a Shrinking World Market"]

[Text] Bofors is in a bind. The arms trade today is a buyer's market, while simultaneously a strong opinion against weapons export makes it difficult for the politicians to give Bofors the support the company needs.

On the foredeck of the Iraqi frigate Ibn Khaldoun stands something which ought not to stand there: a 57 mm Bofors cannon. Whether it ended up there with or without the help of Bofors is something the Swedish Peace and Arbitration Association and the Bofors leadership disagree on. At any rate, it is clear that the Bofors engineers who equipped the frigate at the shipyard in Split, Yugoslavia, did not protest against the final destination of the frigate. And it is equally clear that the Swedish government would never have approved a sale of weapons to Iraq--a nation at war.

The discussion concerning Swedish arms export may seem artificial and academic: guns and missiles are made for use in war, after all. Why then make such tremendous noise if they happen to end up where they belong? The answer is that a unanimous Parliament does not consider the Swedish weapons export to have any value in itself.

The Swedish arms export is allowed to occur only because it benefits Swedish defense and security policy interests. A domestic arms production is believed to guarantee our national independence. For business-economic reasons it is important, however, to keep the arms smithy going between the long time intervals of the orders from the Swedish armed forces.

This is, then, the doctrine which says that Bofors exists primarily for Sweden--not for its shareholders. And it is against this background that the discussion about nationalization should be viewed. But it is also this doctrine which explains why Bofors is a well-known quality brand among arms dealers all over the world. They would probably be very surprised if they found out that in principle Swedish arms export is prohibited. But, as everyone has concluded, in practice it is the other way around:

All arms export is permitted, in principle. The exceptions are countries in a state of war, of civil war, under acute threat of conflict, where human rights

are being suppressed or countries which are included in sanctions mandated by the organs of convention to which Sweden belongs.

The ideal customer is therefore stable nations in the West. The Eastern states, with the exception of Yugoslavia, want weapons of Soviet design. The amount of U. S. technology in Swedish weapons also represents a latent problem for potential sales to the East. The problem is that the ideal customers, the Western democracies, also are not all that interested in Swedish weapons:

"Unfortunately, these nations in particular do not like to buy from us. All of the major countries have their own production. They are our competitors, not customers. The others are mostly members of NATO and try to standardize their equipment within this organization." (Former Bofors chief Claes-Ulrik Winberg in a brochure from 1981.)

Consequently, the market shares are to be found in the Third World. But there the instability, a reason for the demand, is also an obstacle to the sales. The matter is complicated by the fact that major arms orders are drawn-out processes. A positive preliminary decision by the defense materiel inspector at the beginning of the negotiations, is useful at most for putting wet boots on at the time of delivery.

To be sure, purchases of Swedish weapons are not tied to any political conditions. And, to be sure, the Bofors air defense equipment is of high quality--perhaps the best in the world. But unless the company can guarantee that the ordered arms will also be delivered, and Bofors is unable to, those advantages become rather uninteresting.

However, the Bofors crisis is also the crisis of the global arms trade. According to SIPRI [Swedish International Peace Research Institute], the volume of international trade in major conventional weapons has dropped by more than one-fourth between 1980 and 1984. The research institute gives the following explanations for the decrease:

The policy of economic restraint in most countries has led to reduced defense purchasing. The threat of inflation is easier to visualize and size up than the threat of invasion. Just as Bofors the rest of the arms industry is forced to export when the domestic markets are not buying their products. The exception--the United States--has had to pay for its armament with a gigantic trade balance deficit.

The chronic debt crisis in the Third World has made the second-hand market more interesting. The share of arms transactions between Third World countries is small but growing. One example is that Chinese modifications to Soviet weapons are now being marketed, which represent an alternative for poorer underdeveloped countries.

Altogether there is a temporary saturation in the arms market. Between 1975 and 1979 the volume of arms imported by the Third World increased by 130 percent. Between 1980 and 1984 the increase was only 4-5 percent. The boom of 1975-79 was due to a perceived need for armament which was accelerated by the amount of petrodollars generated by the oil crises. But today the oil nations, in particular, have more weapons than they have trained soldiers and officers for.

Today's arms deals are often part of a greater agreement package. These contain technology transfers, licensing agreements, counter-purchase transactions and credit solutions advantageous to the buyer. A fresh example is the Al Thakeb agreement between France and Saudi Arabia. For 35 billion kronor France is to deliver an advanced air defense system. However, Saudi Arabia does not have to pay a penny for the system. Instead, the purchase cancels a previous debt to Saudi Arabia. But the French state guarantees that the arms industry will get its profit in case offsetting the debt should not correspond to the value of the delivery. In general it is common that arms purchases today involve counter-purchase agreement whose value exceeds that of the arms.

The sum of all these reasons is that it is a buyer's market today. A manifestation of this is the fact that the share of the superpowers in the arms trade has dropped--from 80 percent in 1980 to 62 percent in 1984 (SIPRI's 1985 Yearbook). It is simply so much more profitable to buy from France, for example.

The French share has also increased, despite the general slump. France imposes no political demands on its buyers. Because of the lack of ethically conditioned export restrictions several of the French weapons have been tested in combat. That is another reason why France is considered a reliable supplier.

How, then, does the Swedish arms export doctrine function in this situation? Does Bofors, unquestionably the largest Swedish arms exporter, really guarantee Swedish independence in times of crisis and war?

"The statistics today say that we import 30 percent of our defense in terms of money. At the same time it is not just any 30 percent. As a rule these are the most advanced electronics--the brains of the weapons systems."

"I cannot contend that the independence--the basis of the doctrine--has been lost. But there isn't even any political debate about the validity of the doctrine. And without any debate the politicians usually make poor decisions," says Thomas Ohlson--SIPRI researcher and international arms expert.

So far the statements from responsible politicians--mainly Foreign Trade Minister Mats Hellstrom and his Undersecretary Carl-Johan Aberg--have mostly been characterized by hemming and hawing. But Nobel chief Anders Carlberg's proposals to the government have been clear enough: If we do not receive state-guaranteed export credits--and preferably a more liberal interpretation of the rules--we may have to consider scrapping the arms manufacture within the Nobel group.

And Nobel Industries shareholders naturally are not interested in paying the costs of Sweden's real or imagined security and defense-political interests. No other arms industry in the world does--so why should Bofors?

Today, the future of Bofors does not primarily hinge on decisions taken in the shining, idyllic factory town outside Karlskoga, nor on decisions made in the boardroom at the main office in Stockholm. The future of Bofors is in the hands of the politicians.

In the meantime the company leadership is discussing brief, temporary layoffs with the union. It may be assumed that India--which according to Bofors is contemplating the purchase of howitzers for about 10 billion--follows the Swedish export debate with a certain interest. However, Carl-Johan Aberg has promised Carlberg export credits in some form, but there is no discussion of ethics under way. Nevertheless, the ethics are there--just as unwanted and tangible as a persistently buzzing summer fly.

Photo captions [photos not reproduced]

Anders Carlberg, managing director of Nobel Industries, wants state export guarantees for the arms trade.

But those responsible--Foreign Trade Minister Mats Hellstrom (above) and

Undersecretary Carl-Johan Aberg have replied evasively--the Swedish arms export is a minefield.

Researcher Proposes Industry Restructuring

Stockholm NY TEKNIK in Swedish No 40, 1985 p 34

[Review by Staffan Dahllöf of book "Kulorna rullar. Ekonomi och politik kring svensk militär export" [The Balls Are Rolling. Economy and Politics Around Swedish Military Exports] by Björn Hagelin, Ordfront, 186 pages: "Researcher on Arms Export: Cannot Be Controlled"]

[Text] Forget all the talk about stricter controls. The arms export can only decrease through a restructuring of the Swedish defense industry.

In a new book, "Kulorna Rullar. Ekonomi och politik kring svensk militärexport" [The Balls Are Rolling. Economy and Politics Around Swedish Military Exports] (published by Ordfront), Björn Hagelin asserts that the debate about Swedish arms export has become sidetracked.

"The military export cannot be controlled; major changes are necessary," says Björn Hagelin, former researcher at Foa (Defense Research Institute), and today active at the Institution for Peace and Conflict Research in Uppsala.

Björn Hagelin has founded his thesis on studies of the Swedish arms export since World War II; the externally known, and legal, export.

Marked Increase

Despite the fact that the defense materiel export of the last 15 years does not represent more than between 0.5 and 1.5 percent of Sweden's total exports, the export dependence of the defense industry itself has undergone a marked increase, Björn Hagelin says.

"The problem for the industry is that the Swedish defense contracts are shrinking. Defense funding has remained the same since the end of the 1960's. The industry's solution is a distinct orientation toward exports.

Bofors chief Claes-Ulrik Winberg has said the same thing--to a foreign audience.

"Once in a while we develop equipment for the export market that is later bought by the Swedish defense. I think this will take place more often in the future. We are gradually moving in that direction," Winberg said in a lecture at the British Royal United Service Institute in 1980.

Such clear language is more rarely heard in the Swedish debate. Winberg's and Bjorn Hagelin's description thereby contradicts the official Swedish motive for permitting arms exports: keeping the defense industry going in between the sparse Swedish orders.

"This is the actual motive for the Swedish weapons export," as Foreign Trade Minister Mats Hellstrom wrote in DAGENS NYHETER last summer.

Ongoing War

Bjorn Hagelin's compilation shows that official and legal Swedish arms export has meant arms deliveries to ongoing war, despite all assurances to the contrary.

Bofors's big seller, the 40-mm model L/70 cannon, is found in nearly 60 countries.

Among the users of the L/70 can be found Morocco, South Africa, Israel, Egypt, Uganda, Burma, Indonesia, India and Pakistan. During the Vietnam war U. S. Hercules aircraft were armed with Bofors-constructed gun barrels. During the U. S. invasion of Grenada, the L/70 helped clear the way for the American forces.

"But since the licensing rights are spread to a number of countries, and nations trade with one another, it is nearly impossible to trace how South Africa, for instance, acquired the Bofors guns," says Bjorn Hagelin.

Not Publicly

The legal arms export is also surrounded by considerable secrecy. As late as 1983 the Swedish government gave Singapore permission to manufacture Swedish military equipment on license.

But just what is included in the license has not been published.

"The government maintains that it wants to reduce the arms export and increase its controls. A simple step would be to make its own decisions public," says Bjorn Hagelin.

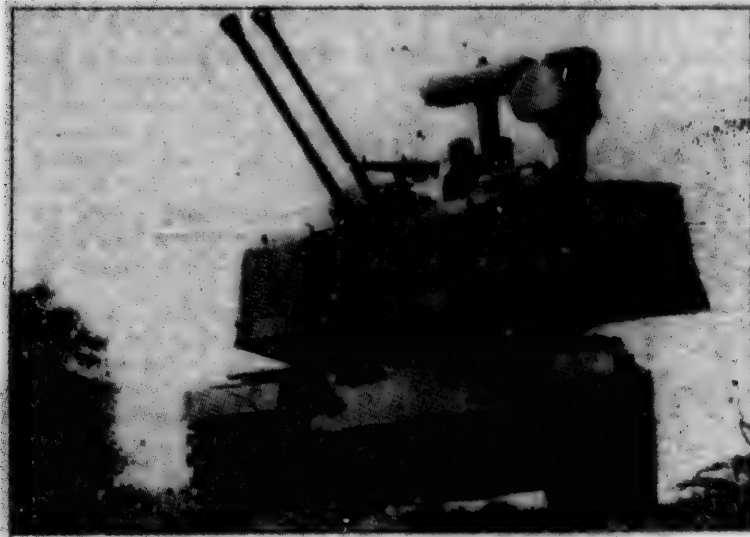
His own prescription for reduced arms export is a restructuring plan for the defense industry, similar to the decision to abolish nuclear power.

"It is not identical to disarmament. I maintain that Sweden could set a good example without losing any security."

Adaptation

"The export orientation of the military industry shows that Sweden as a nation cannot afford to maintain the present structure of the industry, but we will have to adapt to the size of the budget. That would be in the direction of former Army Chief Nils Skold's 'gummy men.'"

"Rather helicopters than JAS [fighter-pursuit-reconnaissance aircraft], for example. Our independence would not diminish in the slightest if we reorganized our own military industry. After all, it is completely dependent on imported technology and imported components, such as the JAS with its U. S. engine," Bjorn Hagelin says.



Bofors 40 mm cannon model L/70 is a big seller--it is currently present in almost 60 countries.

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MILITARY

SWEDEN

ARMED FORCES SIGNS CONTRACT WITH BOFORS FOR 56 'BILL' MISSILE

Stockholm DAGENS NYHETER in Swedish 14 Dec 85 p 10

[Article by Anders Ohman: "New Missile Order to Bofors"]

[Text] On Friday the FMV [Defense Materiel Agency] signed a contract with Bofors Inc. for series production of the new 56 Bill antitank missile--at a cost of 1.4 billion kronor.

The Bill has the capability of knocking out tanks through the roof, the most unprotected point of the vehicle. That is where the armor is weakest.

The Bill can hit targets up to 2,000 meters, and in the late 1980's it is to be delivered to the Army combat units.

The Bofors arms manufacturer is proud of its new antitank missile and expects major export successes as well as for Missile 70. The ongoing investigation regarding suspicion of illegal export of Missile 70 has not affected the company's evaluation of its chances to sell the Bill.

Easily Portable

"We must regard this optimistically. Bill has cost more money than we initially thought. That cannot be recouped in Sweden but must be done by exporting," says Martin Ardbo, managing director of Bofors Inc. The company has been responsible for the greater part of the development costs. He does not want to reveal which countries are interested in purchasing Bill.

The new Swedish antitank missile is easy to carry--weight about 34-35 kilograms ready to fire--which makes it suitable for the Army, for rifle companies, etc. According to Army Staff Chief Maj-Gen Krister Larsson, the Bill significantly increases the units' ability to counter enemy combat tanks in various types of terrain.

The missile can be fired from 150 m up to 2,000 m and even hit concealed targets which have been disguised behind shrubbery or similar. Two soldiers man the missile.



Bofors Inc. managing director Martin Ardbo (right) signed a 1.4 billion-kronor contract for delivery of the new Bill antitank missile to the Swedish Army. FMV director-general Carl-Olof Ternryd views the new Swedish weapon.

U. S. Technology

After firing, the missile is wire-guided--a jamming-proof method, says the military. The missile's trajectory lies about 1 meter above the sightline. A laser diode and a microprocessor transmit signals via the wire to the gunner, who can correct the missile's path. A target at a range of 1,200 m is hit in 6 seconds and the missile can detonate just above the turret of the tank. The Bill is also capable of penetrating active armor, a special layer of explosives intended to make a projectile with aimed explosive power detonate prematurely.

The Bill contains electronic components imported from the United States. The imported share amounts to between 10 and 20 percent of the missile.

The missile division at Bofors is prepared to hire about 100 new employees once the production of the Bill gets under way.

This presumes a deal of approximately the same size as when Norway recently bought Missile 70 for about half a billion kronor.

The next major arms deal for Bofors Inc. might be sales of the artillery piece Howitzer 77 to India. Managing director Martin Ardbo is going there shortly in order to discuss the deal.

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MILITARY

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BOFORS-HAGGLUND RECEIVE CONTRACT TO DEVELOP COMBAT VEHICLE

Stockholm MILITAR TEKNISK TIDSKRIFT in Swedish No 3, 1985 pp 23-29

[Article by Bo Lundvall]

[Text] HB Development Corporation, a firm owned jointly by Hagglund and Sons, Incorporated and the Bofors Corporation, received an order on 11 July 1985 to develop the "90" family of combat vehicles (described in MILITAR TEKNISK TIDSKRIFT No 4, 1984). It is the largest order ever received by that company.

Hagglund and Bofors have cooperated before--for example, during the development phase of Antiaircraft Missile Vehicle 701 and Antitank Missile Vehicle 551.

The development of Combat Vehicle 90 is going to involve close cooperation. That cooperation began 3 years ago, when the actual studies in connection with Combat Vehicle 90 got underway.

Work to develop Combat Vehicle 90 is already underway on a wide front. The development work that has now been ordered calls for a common chassis and the delivery of experimental materiel for five of the seven planned variants. Those five are the Pbv G (the basic vehicle), the Pbv L, the Lvk, the Grkv, and the Bgb.

About 60 full-time employees are involved at Hagglund's plant in Ornskoldsvik, and about 30 are working in Karlskoga for Bofors, which currently has the order for the preparatory design work and the production of a test firing rig.

A driving test rig, ordered in advance in mid-1984 by the FMV, is to be ready for testing in December 1985. This means that tests can get underway as early as the winter of 1985-1986 on such vital parts as the engine, transmission, track unit, and so on. One of the basic ideas is to make the test vehicles--and thus the coming production vehicles as well--as reliable as possible.

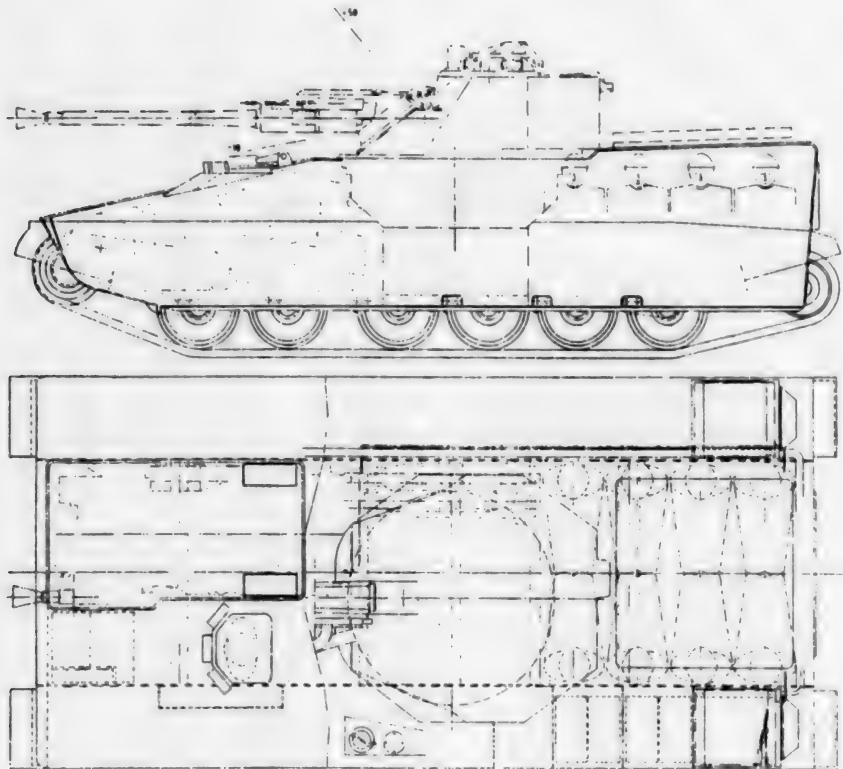
Three of the test vehicles are to be ready for the start of intensive testing in just under 3 years, and the two remaining vehicles are to be ready a year later. HB Development, which is the prime contractor, has taken complete responsibility for the testing, meaning that it will also participate in



Combat Vehicle 90

combat testing and field trials. The end users (the military units) will be involved both before and during that testing period. The FOA and others will be consulted at certain special points in the testing procedure.

All variants of the Combat Vehicle family will be produced at the same time, meaning that complete units can be set up at an early stage. A single chassis is used for the entire family, with only minor variations being required for the Grkbv and the Bgbv. The engine unit, transmission, track unit, and driver's compartment are completely identical. Using identical components for all variants provides a big advantage, for example, during testing. From the standpoint of training, the advantage is that the crew can receive its basic training on a single variant and then be given special training on the various



The illustration shows the placement of infantrymen as now contemplated.

other versions. The procurement of spare parts and maintenance will also be rationalized.

One of the goals is to make Combat Vehicle 90 as compact as possible so as to achieve low combat weight, thus improving the vehicle's mobility in the field. Cross-country ability, fire power, and protection are qualities that have been balanced against each other. The Combat Vehicle 90 family will have a very low silhouette. The engine compartment and driver's compartment are compactly built and have a low silhouette compared to comparable vehicles. Behind the driver's compartment and engine compartment and under the turret, there is room for the missile stand, missiles, and ammunition. Infantrymen are placed at the extreme rear of the vehicle, which carries a three-man crew.

A Swedish diesel engine with about 500 hp (365 kW) will be installed in Combat Vehicle 90. The goal is to build the vehicle with commercial components and avoid specially built components to the extent possible. But certain modifications will be necessary to adapt the engines for use in a combat vehicle. That work is to be facilitated considerably by relying on domestic

engine manufacturers. Commercial products are also being used for the gearbox and drive system. The power unit, transmission, and steering system are built as one unit to facilitate quick replacement in the vehicle.

Among Combat Vehicle 90's characteristics, cross-country ability is the highest priority. Experience with the Pbv 302, Ikv 91, and Bv 206 has been good, all of those vehicles being well known for their good ability to cross rugged terrain. Those characteristics are now being further improved in Combat Vehicle 90 by further reducing ground pressure and designing the bottom of the vehicle in an advantageous way.

Ground pressure is going to be very low for a tracked vehicle of this class, and that is especially important since a great deal of driving will be done on swampy ground and in deep snow.

Combat Vehicle 90, the Pbv G, and the Lvkv will be equipped with an automatic gun with a caliber of between 40 and 60mm. This means that the turret crew can be reduced to two men, since the loader will be eliminated. The other variants will have a weapon cowl and a 25mm antiaircraft gun. The turret is designed for a seated crew, and that is one of the factors making a low silhouette possible. If the 40mm or 57mm alternative is chosen, the gun will have to be inverted so that fired cases will be ejected in the desired direction. The new approach by Bofors also includes a new system for ammunition handling and loading. A new type of ammunition is being developed for use against armored targets. The turret also includes advanced equipment for observation and fire control with an advanced sighting system. All vehicles in this family will be capable of engaging aerial targets. The Lvkv will also be equipped with reconnaissance radar and other special equipment. The choice of armament will be made in 1986.

In the upcoming trials, very great importance is attached to achieving a high degree of operational reliability. Those trials will be conducted very carefully, and special followup systems will be established so that necessary steps can be quickly defined and the required modifications made.

Low maintenance and operating reliability costs are a strong feature of the design work. The experience gained from working with the Bv 206 and so on is coming in very handy for Hagglund.

At an early stage in the design work, consideration was given to what it would cost to repair and maintain the vehicles. The ambition is to reduce downtime to a minimum and make it easier for mechanics to do their work quickly.

Incidentally, Bofors and Hagglund, along with the FMV, are going to conduct an ongoing evaluation of future maintenance costs.

11798

CSO: 3650/77

MILITARY

SWEDEN

REGIMENTAL COMMANDER COMMENTS ON PLAN TO CUT UNITS

Stockholm DAGENS NYHETER in Swedish 18 Dec 85 p 3

[Op ed article by Col Einar Lyth, commander of the I 3 Regiment in Orebro: "Army Chief on the Wrong Track"]

[Text] Surely it is rational to disband regiments, when the number of conscripts is shrinking? In order to take a stand on the issue, it is necessary first to understand the various duties of the peacetime organization. What first strikes an outsider is the training of "conscripts" and "refresher course participants." Many are satisfied with this incomplete image--which furthermore is incorrect. Companies and battalions are trained, which poses demands other than the training of individual soldiers. Career officers are the instructors, but what is more important is that they hold key positions in the wartime organization. They must constantly be retrained at the pace of new materiel and organization, which is difficult to squeeze in.

The military district regiments are also responsible for mobilization of the wartime units in the province/military region. War materiel is located in dispersed mobilization stockpiles and must be cared for, replaced, loaned and repaired. At times the waiting lists for repair are long. This is why many people are continuously working with materiel and transports. Others work with volunteer organizations and the Home Guard, which is supposed to safeguard the mobilization.

The regimental leadership plans the province's defense and cooperation within the coordinated total defense. The officers work with training as well as wartime units. They hold two positions and work permanently in both.

If the risk of war intensifies, it is necessary quickly to increase mobilization readiness to a higher level than can possibly be maintained in normal times, primarily by accelerating repairs and by redistributing and dispersing the war materiel. With 400 employees and other labor there is a number of such measures which the nation's regimental commanders can and must take even before a decision to mobilize. Opportunities to increase mobilization preparedness might be decisive for a peace-keeping/ neutrality-protecting contribution, as well as during the introductory phase of an open war. The upgrading of the risk of so-called twilight situations (neither

peace nor war), surprise attacks and sabotage, which have occurred in recent years, places such measures in the focus.

But what is actually happening in the defense debate? Well, this organization, from top to bottom directed toward emergency preparedness and wartime capability, has, through comfortable slogans with powerful mass media effect, been branded as a "peacetime organization," and has been contrasted with the wartime organization in a strange way. It has been said that one should economize with the peacetime organization in order to be able to spend more on the wartime organization. This is the way it might be if there were an extensive imbalance in the system. There is not. This is why it is regrettable that there is widespread belief that the peacetime organization can be cut back without damaging emergency preparedness and the wartime organization. This is not possible.

In the Army chief's foundation for OB 85 [supreme commander's 1985 plan] it is clearly shown that the peacetime organization is the core of the wartime organization. It is much more evident than in previous peacetime organization studies that they two organizations are two sides of the same thing. Moreover, the Army chief wants to further strengthen the relationship between them.

One becomes all the more surprised to find that in his "Goals for the Development of the Army's Peacetime Organization," formulated for the supreme commander, he does not mention anything about the demands for a mobilization organization extended over the entire country, nothing about the demand for total defense planning organized by province and nothing about support for the Home Guard and volunteer organizations. As for increased preparedness, there is talk about the need for leadership. But nowadays it is the resources needed to be able to increase the preparedness for mobilization which is the central problem. If a military district commander stands there in a twilight situation without labor and vehicles, his leadership will be a futile effort. Instead, great emphasis is placed on something which the study on an unclear basis calls limiting factors. One of these is said to be "adaptation of the Army's total production capacity to the shrinking number of conscripts," despite the fact that in another place the study stresses that it is the training of wartime units and not individual soldiers which is the deciding factor.

This means that as a criterion for choice the Army chief picks a subordinate factor instead of a global one. Or to put it more simply: It is more important to him that all regiments are fully manned every year than that the present relationship between province--military district--population--wartime organization--training-mobilization--Home Guard will be preserved.

All of this leads, or rather misleads, the Army chief into wanting to study more closely the disbanding of three infantry or armored regiments, at least one of which is a military district regiment. By so doing the Army chief hopes to save money. This is not likely to be very much, and the savings are not likely to be in a reasonable proportion to the losses of power.

The number of priority brigades agrees with the number of infantry and armored regiments. Each province has its own military district regiment (except

Vastmanlands and Kalmar--those regiments were disbanded in the 1920's when total defense was an unknown concept) or equivalent units from the Navy. Very serious reasons are needed in order to tear up that connection. A few empty companies here or there each year is scarcely reason enough, in particular not when considering that each year each regiment is forced to postpone many duties important for the wartime capability because of the volume of basic training. A few gaps here and there in the otherwise smooth pavement does not reduce the effectiveness--on the contrary, they contribute to an increase in the effect.

Significantly, the supreme commander is taking a wait-and-see attitude. After all, he is responsible for the totality in war and peace, for, among other things, defense planning and the deployment of Army units in wartime, while the Army chief is only responsible for unit production and mobilization. Here there is, as always, the risk that rationalization within a limited sector (basic Army training) will lead to irrational overall solutions. The supreme commander's hesitation over the Army chief's proposal is well-founded.

We have yet to hear the politicians and the opinions of their party leaderships. They have time to contemplate for a while longer before it is time for them to take a stand on the 1987 defense decision. They are responsible for much more, not least the anchoring of the total defense and the military defense in society. There the military district regiments also play a key role by supporting the volunteer movements, the tie between the people of the region and the region's regiment, and above all by forming the core of the "provincial defense academy" which is formed jointly by the regiment, the provincial government, the county administration, the municipalities etc. in the continuous planning and training for the total defense.

Ultimately it is the politicians who must see to it that the instrument for the security policy they themselves have determined does in fact serve the purpose.

11949

CSO: 3650/87

MILITARY

SWEDEN

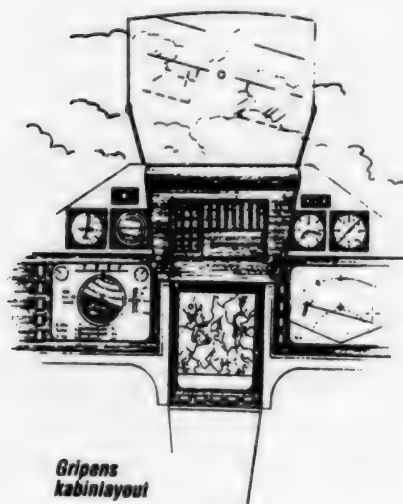
NEW MINI STEERING LEVER DEVELOPED FOR JAS 39 GRIPEN

Stockholm FLYGVAPENNYTT in Swedish No 1, 1985 pp 5-7

[Article by Stig Holmstrom, test pilot for Saab-Scania]

[Text] The ministeering lever--a different kind of gadget. The JAS 39 Gripen is going to have a completely electric steering system. It will be a three-channel digital system without any mechanical backup. Heavy demands are placed on the steering system in a multirole aircraft such as the JAS 39 Gripen: speed, exactness, and reliability. It must keep the unstable platform constantly in balance while simultaneously executing all the various maneuvers that the pilot might conceivably call for--mainly through the steering lever. The steering lever in the JAS 39 deserves a show of its own!

It was realized at an early stage that in order to lose none of the precision and speed built into the control system itself, the link with the pilot--that is, the steering device--would have to undergo refinements in comparison with a conventional steering lever. Lever response to wide arm movements does not provide adequate precision. But the desired accuracy can be achieved if only the nerves and muscles of the hand are used. And that is the case with the steering device now being developed for the JAS 39.



Layout of the
Gripen cockpit.



Illustration 1: Prototype of the ministeering lever (flight tested)

Engineer Lennart Nordstrom of Saab-Scania has been in charge of that development since 1978. The result is the so-called ministeering lever, the general--or tiny?--design of which can be seen in illustration 1.

The principle is that all pilots must grasp the lever in the same way. The lower part of the hand and the little finger rest against or hold on to stationary parts. The rest of the hand works with the movable part of the lever.

The bottom baseplate is adjustable to fit individuals--since the size of people's hands varies, of course. But by adjusting the plate up or down, an acceptable grip can be obtained for any fist--big or small.

The upper part of the steering lever can be tilted or rolled around a fulcrum in the lower part of the lever that is also held by the pilot's hand. The



Top view of the
ministeering lever.



Front view of the
ministeering lever.

stick force is produced by mechanical springs and the instantaneous action of torque motors that can be programmed to produce additional stick force--for centering and slowing down, for example. A conceivable development in the future is for each pilot to be able to set the degree of sensitivity that he himself prefers.

The ministeering lever already has an extensive history of test activities behind it, ranging all the way from the first fumbling efforts in various cockpit simulators to test flights with the lever mounted in the front seat of a T-33 at the Calspan aviation firm in the United States. Its characteristics under high loadings--up to 9 g--have also been tested in the centrifuge at the Caroline Institute in Stockholm (illustrations 2 to 5).

Adequate mobility by the lever has been tested up to about ± 12 degrees maximum response in pitch and ± 8 degrees laterally (roll). Optimization of lever characteristics, force, and sensitivity is now underway in a simulator at Saab-Scania. To achieve good steering characteristics not only in rapid and wide maneuvers but also in tight steering to a tenth of a degree--when aiming, for example--nonlinear steering rules are followed. Briefly described, this means that in large and increasing lever response, line FH in illustration 6 is followed. In other words, wide banking = high sensitivity. In the case of large but decreasing lever response, line EG applies. The resulting trapezoid is a fine steering zone where low sensitivity prevails.

Outside the normal working range, there is the possibility, in an emergency situation requiring maximum flattening out or a turn, of overriding the 12-degree stall (HI in the diagram, illustration 6).

The same is true in the roll channel, where simulations have shown that a quadratic function is to be preferred (illustration 7).

Angular Velocity in Pitch
(degrees per second)

Angular Velocity in Roll
(degrees per second)

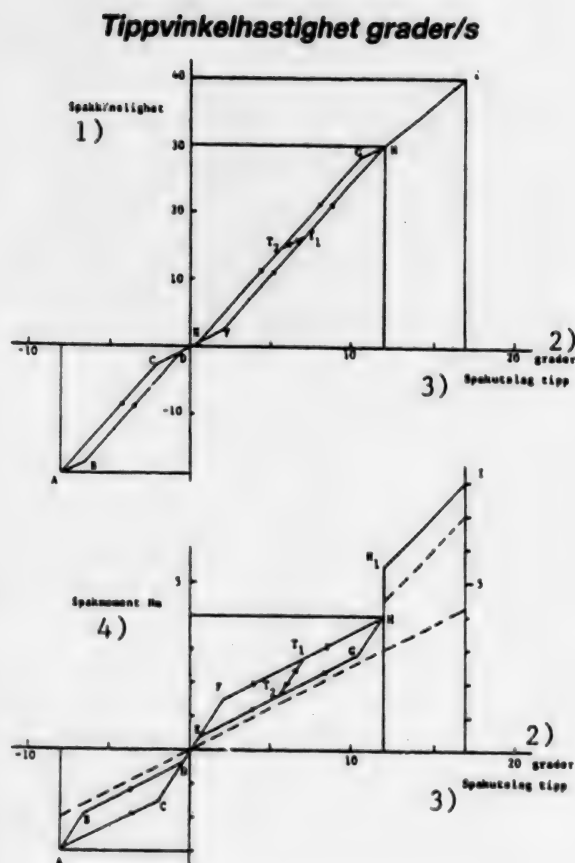


Bild 6: Spakrörelighet och spakmoment i tipp

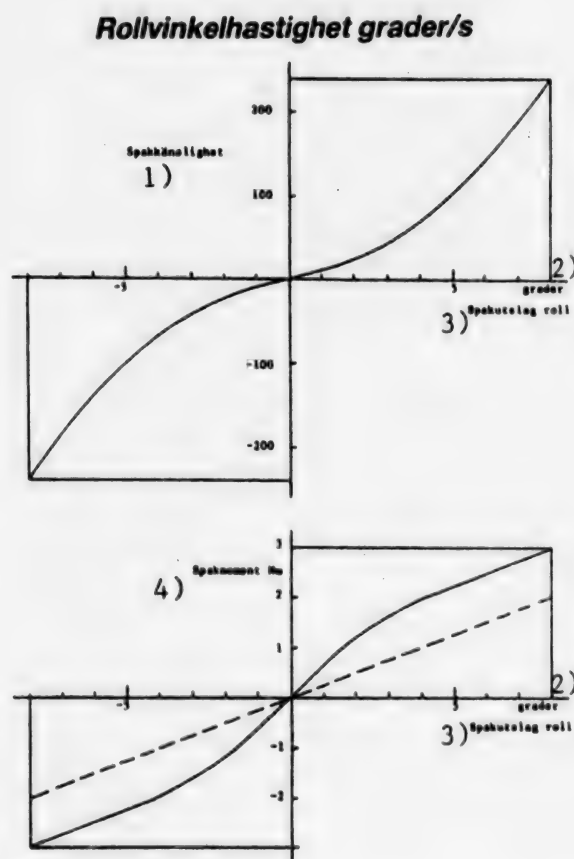


Bild 7: Spakrörelighet och spakmoment i roll.

Illustration 6: Lever sensitivity and lever torque in pitch.

Illustration 7: Lever sensitivity and lever torque in roll.

Key:

1. Lever sensitivity
2. Degrees
3. Lever response (pitch)
4. Lever torque (Nm)

Key:

1. Lever sensitivity
2. Degrees
3. Lever response (roll)
4. Lever torque (Nm)

As can be seen from illustration 2, placing the steering lever at the pilot's side was also tried (compare, for example, the F-16 Fighting Falcon). The decision to place it in the center was determined primarily by the advisability, in case of need or emergency, of being able to steer even with one's left hand. It is therefore to be viewed as a flight safety measure.

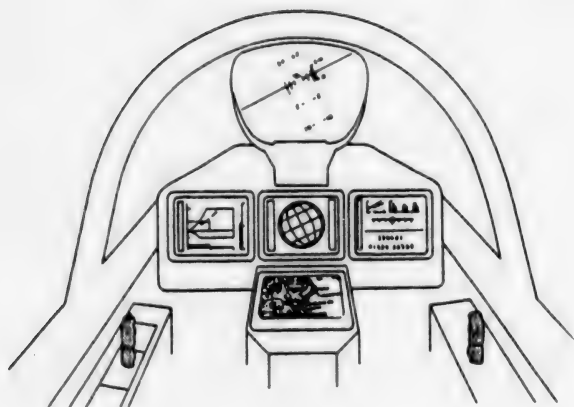


Illustration 2a: Flight simulator with a ministeering device on each side.

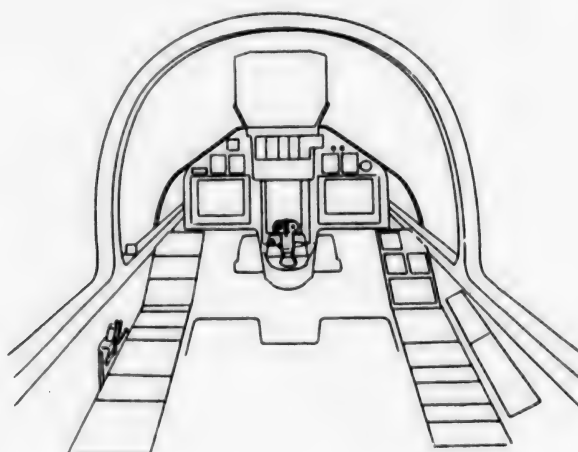


Illustration 2b: Flight simulator with ministeering lever in the center.

Current simulations indicate that the pilots prefer a maximum stick force of about 100 Newtons in pitch and of about 60 Newtons in roll, as well as relatively low sensitivity in fine steering. Pilot evaluations of the ministeering lever are favorable without exception. Most test runs end with a score of 3 or better—meaning "satisfactory without improvements"—out of the possible 10 on the Cooper-Harper scale, which is used to evaluate flying characteristics and so on during testing.

As far as can be determined at present, the ministeering lever—suitably optimized—is going to give the JAS 39 very good flight characteristics. And inversely, it can be said that the JAS 39 requires a steering lever of this or some other unconventional type. Also part of the picture is the fact that it is not just the actual steering of the aircraft that is controlled with the minilever. As usual, a good many other functions must be controlled at the same time.

As can be seen in the pictures, some familiar buttons are to be found on the lever itself. In addition, a number of buttons will also be placed immediately in front of the lever so that they can be easily reached with the fingers without taking one's hand off the lever. Everything must be within comfortable reach even at a loading of 9 g! Increased aircraft performance

means new requirements. Thanks to the minilever concept and future pilots with acrobatic fingers, it will no doubt be possible to solve those problems as well.

The arrangement of buttons on and around the steering lever has not been completely determined. A great many questions remain to be answered. For example, it is not certain that a trimming button in the conventional sense is needed in a control system of the JAS type. That and many other things are part of the work that remains to be done. It is clear, however, that several simulation models of the JAS 39 now "fly." As a result, the JAS Industry Group's test pilots and development technicians are beginning to get a good picture of how the steering device concept, for example, works. And as we said, the opinions are gratifying: it really looks good! And a year and a half from now, hopefully, it will get a grade of A+.

PHOTO CAPTIONS [TO PHOTOS NOT REPRODUCED]

1. p 6. Illustration 3: Lennart Nordstrom, designer of the ministeering lever, carefully studies the way in which Gripen test pilot Stig Holmstrom handles the lever in the flight simulator at Saab-Scania.
2. pp 6-7. Illustration 4: The ministeering lever was test flown in this American T-33 about 30 times in 1983. The aircraft is a flying laboratory that can determine various characteristics such as variable stability with the help of computers. During the tests, which were flown by Tord Grims and Gosta Sjostrom (Saab-Scania), Jard Gisselman (FMV:PROV), and Calspan's test pilots, certain of the JAS 39 Gripen's flight characteristics were simulated on the T-33.
3. p 7. Illustration 5: The ministeering lever was tested in the Caroline Institute's centrifuge and found to be efficient even at high g loadings.

11798

CSO: 3650/77

MILITARY

SWEDEN

HOME GUARD ACCEPTS NEW NAVAL DUTIES

Stockholm HEMVARNET in Swedish No 4, Oct 85 pp 6-7

[Article by Lt Col Sven Boman of the National Home Guard Staff and head of the Planning Section: "New Activity for Us in the Home Guard"]

[Text] Every place where people live there is a home defense. The Home Guard units are organized in Home Guard districts. Our entire country is covered by Home Guard districts headed by a Home Guard chief, who even in peacetime has surface responsibility for his districts. After receiving orders the chiefs can rapidly begin to command their units. As a rule two to four combat platoons make up a Home Guard district. This is the equivalent of the strength of a company. The units are usually supplied by a supply troop.

Up to now the duties of the Home Guard were principally aimed toward the Army, despite the fact that the 1966 Conscription Committee emphasized that the Home Guard organization is very suitable for solving naval tasks as well.

The Home Guardsman keeps weapons, ammunition and equipment in his home. By so doing he maintains high readiness around the clock and every day of the year. A few hours after receiving orders, the Home Guard units can begin to fulfill their duties.

In January 1985 the government adopted new regulations for the readiness of the Home Guard. These regulations make it possible to make use of Home Guard units with great reliability to the extent required. This makes the Home Guard even more suitable for solving naval duties such as surveillance of areas at sea and in the archipelagoes.

Naval Duties

Even today the duties of the Home Guard have a naval character. Home Guard units man defense guns for the defense of important approaches and coastal sections. In many ports Home Guard units have defense and blockade tasks. The Home Guard is usually present at radar stations and coast artillery installations for defense and guard services. On many coastal sections and islands there are Home Guard groups with surveillance duties. There is thus good reason for expanded activity including purely naval duties.

Reconnaissance, Surveillance and Protection

Surveillance at sea, protection of sensitive coastal areas and ports as well as naval mine defense are of the greatest significance for the state of preparedness along our coasts.

Optical reconnaissance groups, radar groups, diving groups and boat groups are to be organized for the purpose of guarding archipelagoes and coastal regions. Home Guard units with defense and surveillance duties will be supplemented by Home Guard groups for coast artillery and naval mine service. Home Guard groups are also needed for certain support functions such as command, air defense, transportation and dispersal of ships.

Groups with divers and groups for servicing antiaircraft guns on land will also be organized to a limited extent.

The Organization

Home Guard units with naval duties are organized within the framework of the regular Home Guard organization. Two types of groups are being organized. The smaller group consists of six men armed with machine guns. In the larger group there are an additional four men armed with Ak4 guns. Deviations from this organization may be made by a regional chief.

The personal equipment is the same as for other Home Guardsmen and is normally obtained through the defense district chief. Extra Home Guardsmen should receive their personal equipment through arrangement with the mobilization authorities.

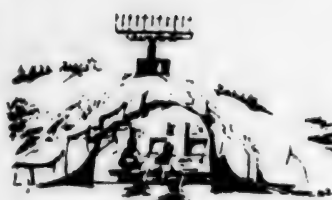
The Home Guard units will primarily utilize the materiel intended for the ordinary units after mobilization and relief. Boats are procured by a regional naval authority through agreement or selection.

For major tasks several groups can be combined into Home Guard platoons with naval duties. The military-geographical conditions around our coasts affect the layout: archipelagic terrain and open coasts need different types and quantities of groups. The units are subordinate to the Home Guard chief but may in some instances be under the orders of a naval commander.

Dimensions

The organization of Home Guards with naval duties has been initiated in all defense districts on a coast. A total of more than 300 naval Home Guard groups will be created. The organization, training and equipment of these groups must be completed before 1990. The need for Home Guard groups with naval duties is expected to increase further after that. It is primarily boat groups and optical groups which are needed.

Primarily the following groups will be organized:



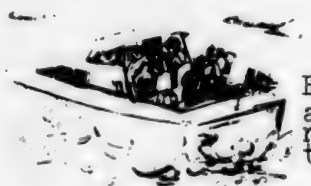
Radar group for
radar surveillance
of sea and coast

Mine group trans-
ports and lays
mines from ships



Optical surveillance
group surveys sea
and coastal region
with binoculars

Command group serves
a command and com-
munications post

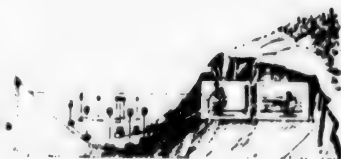


Boat group serves on
a boat with recon-
naissance and/or
transport duties

Fixed Coast Artil-
lery group mans
artillery pieces



Port group guards
port facilities ... or fixed minefields.



In addition, all other Home Guard groups in the coastal regions will be given supplementary naval training, such as identification and reporting., which will mean a considerable reinforcement of the preparedness and surveillance of our coasts.

11949

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ECONOMIC

DENMARK

POLITICAL YEAR BEGAN, ENDED WITH INTERVENTION PROGRAM

Copenhagen BERLINGSKE TIDENDE in Danish 2 Jan 86 p 9

[Article by Carl Otto Brix]

[Text] The year started and ended with economic policy intervention programs, the first one far more comprehensive than the second one but both with effects into 1986 and even further.

Much has happened since the government, with the aid of the Radical Liberal Party, by way of statutory measures, stopped the impending conflict within the labor market last spring. It was the tightest wage policy ever carried through in the history of the country, but the government finds that this is the very reason for the high grades given the country by international organizations in their evaluations of the economic development. Only in one area do we score 0.3 grades. That is, of course, the area of our balance of payments, and the deficit which existed and still exists in Denmark's trade with foreign countries, is, indeed, the main reason why we have not reached the top level positions in the evaluations by American financial institutions of our creditworthiness.

On the other hand, we are gratified that we need not take up any new loans rightaway.

The very balance of payments developments were the reason why the government took action again by the end of the year. The Christmas package legislation was adopted with the support of the government's firm supporter, the Radical Liberal Party, following a few amendments that were welcomed by everybody.

The government says that the purpose is to lower the pressure, which is especially great within the building and construction sector, and which may cause the steady, good development to stop. A tightening in the amount of 8 billion kroner will not cause unemployment, nor will it cause any increase in the interest rate.

The opposition, naturally, takes a different view, and we shall get to know much more about that in 1986.

The Christmas intervention or adjustment as the government prefers to call it, for some reason or other, took place immediately following the municipal elections, and this election in the middle of the election period did not provide the government and the Radical Liberal Party with any real hopes that their good intentions have dawned upon the voters, inducing them to allow the four-leaf-clover government to continue its policy of recovery.

A municipal election is no parliamentary election, as has been rightly pointed out, but everybody casts a sidelong glance at the results in order to get an idea how things will be when the entire country will have to vote. The municipal elections gave the government few happy surprises and great disappointments, which were not lessened by the subsequent appointments. There was little fraternal harmony among the citizens. It was more or less everybody against everybody.

The Social Democratic Party was in the clear, mostly, however, on account of the Socialist People's Party, whose national and municipal election results have, increasingly, come to coincide, and which, to an increasing degree, will have to carry the burden of responsibility. That means that the party's candidates, elected by the people, cannot spend the national product, in casu the municipal tax, twice, as the Social Democrats are charging them with attempting to do.

It is not all jam, getting into power.

The hot political potato of the turn of the year is neither intervention in collective bargaining, nor the Christmas package, nor the municipal elections.

It is Denmark's continued full participation in the cooperation within the EC.

If Denmark opposes the expansion of the EC treaty arrived at in the top-level meeting in Luxembourg, nothing will ostensibly come of it. But the other participating countries will unerringly continue along the same course without that small difficult North European country, which, incidentally, cannot then expect any special considerations, as in frequent, previous instances, when it comes to fish, agricultural products, steel production; after all, why should they pay any special attention?

The government has, in this matter, chosen not to govern. It has felt that the Social Democratic Party wanted to deal the government such a fatal blow in this matter as to render an election inevitable. The tactic, therefore, is for Prime Minister Poul Schluter (Conservative Party) and Foreign Minister Ellemann-Jensen (Liberal Party) neither to recommend the result of the top-level meeting, nor the opposite. The government itself finds that it, therefore, is not the government's defeat if the Social Democratic Party should end up in a No, which would then become Denmark's No, because the large opposition party has got the majority power.

It may be somewhat difficult for those who are thinking along traditional policy lines to fit the political situation into the well-known forms.

It is not merely on EC issues that there is, or may be, a majority against the government.

The same thing applies in the area of security issues. In about fifteen interpellation debates on Denmark's military security, the government has since coming into power in September of 1982 allowed itself to be outvoted time and again.

This has not had the parliamentary consequences, i.e. the resignation of the government, which would previously have been the natural outcome. The government has continued in office because economic recovery had priority over all other tasks.

That attitude has had the most extraordinary consequences, which the government will have to live with in 1986:

The government carries through its economic policy together with the Radical Liberal Party.

The government carries through a tax reform together with the Social Democratic Party and the Radical Liberal Party.

The government carries through housing legislation together with the Radical Liberal Party.

The government carries through a real interest tax and refugee legislation together with the Social Democratic Party under sharp attacks from the Radical Liberal Party.

Together with the Social Democratic Party, the government intends to build a fixed connection across the Great Belt.

Together with the Radical Liberal Party, the government wants to carry through a commercial television channel, TV2.

The other majority of the Folketing (the Social Democratic Party, the Socialist People's Party, the Radical Liberal Party and the Socialist Left Party) is in charge of the security policy.

The other majority carries through an agricultural financing scheme and agricultural legislation without the support of the government.

It carries through cultural legislation and legal policy laws, for example the law governing the custody of children.

And, at least also at the turn of the year, the other majority thus determines the country's EC policy.

The government, nevertheless, remains in office and expects to do so right until the latter part of the present election period.

The grounds are still the need for economic recovery but lose some of their strength if the government still fails to give such impetus to the export trade as to eliminate the current foreign deficit. The government's objective is for this to happen in 1988.

The year 1986 will be marked by the economic problems but also by Denmark's relation to the EC, by our relation to NATO and, on the more domestic level, the implementation of the tax reform to take effect in 1987, the decision--perhaps the definitive decision!--on the construction of a fixed connection across the Great Belt and the nationwide commercial TV2.

On the more personal level, but, indeed, with political overtones and undertones, comes the major event of 1986, the expected reconstruction of the government. It has worked hardly without any changes since September of 1982, and next summer it will be time for the prime minister to undertake a number of reshuffles which may give the voters the impression--and that may, indeed, be a good idea--that it is a fresh and enterprising government that starts the election campaign in the fall of 1987--following a collective agreement concluded by the labor market parties themselves and remaining within the framework of minimum wage increases.

The latter is not merely the government's dream at the turn of the year. It is its economic policy position that wage increases markedly below those of our competitors are the necessary basis for continued economic progress.

7262

CSO: 3613/48

ECONOMIC

DENMARK

POLL FINDS INCREASING PESSIMISM AMONG DANES ON ECONOMY

Copenhagen BERLINGSKE TIDENDE in Danish 2 Jan 85 p 10

[Article by Asger Schultz, director, M.A. (econ.), the Gallup Institute]

[Text] The faith in a continued high rate of inflation seems unflinching at the same time as the belief that it will be possible to improve the economic situation of the country.

This appears from the annual poll carried through by the Gallup Institute to elucidate the opinions on the part of the population as to what the coming year will bring in a number of crucial areas.

The following survey shows the questions asked as well as the answers to these questions. For the sake of comparison, the averages of corresponding polls carried through for the periods 1969-83, 1974-78, 1979-82 and 1983, 1984 and 1985 are also shown.

Despite the fact that one of the government's most marked results has been the discontinuation of the inflation, two-thirds of the voters (67 percent), nevertheless, find that prices in 1986 will increase at a higher rate than in 1985. Viewed throughout the entire period back till 1969, this seems a law of nature, with the exception of the New Year of 1983, and that is even rather modest.

After a year of nonsocialist government in which improvement of the country's economic situation had been given the highest priority, the optimism at the New Year of 1984 was pronounced. More than half the voters (57 percent) believed that the country would now be making progress.

That optimism now seems to have nearly vanished. A realtive majority (38 percent and 35 percent) now finds at the New Year of 1986 that things will go in the wrong direction, as usual.

Irrespective of the fact that the unemployment rate has declined, a relative majority (41 percent as against 34 percent) still expects it to continue to increase. However, compared to the attitude of the voters at the time when the nonsocialist government took over, i.e. at the New Year of 1983, the

attitude of the voters has changed markedly. At the time, 84 percent of the voters expected the unemployment rate to increase, now only 41 percent of the voters expect this to happen.

The expectation of a calm labor market is not strange prior to a year where there will be no new collective bargaining.

On the personal economy level, the year 1985 did not change anything. Despite the trend toward increasing real wages, two-thirds of the voters (65 percent) still expect the standard of living to remain unchanged, and even to show a declining tendency.

Altogether, the merits of the nonsocialist government seem to fade among the electorate at the New Year of 1986, and that may, possibly, be due to the fact that the political debate and interest have, inexorably, drawn the attention of the voters to the Achilles' heel of the government, viz. the record-high balance of payments deficit, in contrast to the one projected by the government.

	New Year 1969/73	New Year 1974/78	New Year 1979/82	New Year 1983	New Year 1984	New Year 1985	New Year 1986
	%	%	%	%	%	%	%
"Do you believe that prices in 1986 will increase more than in 1985 or do you believe that they will increase less?"							
Will increase more	67	67	68	64	56	62	67
Will increase less	16	17	15	22	21	16	15
No opinion	17	16	17	14	23	22	18
Total	100	100	100	100	100	100	100
"Do you believe that there will be more or less unemployment in 1986 than in 1985?"							
More	46	61	70	84	67	44	41
Less	23	16	10	7	16	36	34
No opinion	31	23	20	9	17	20	25
Total	100	100	100	100	100	100	100
"Do you believe that we shall have a year with more strikes and more unrest in the labor market than in 1985?"							
Yes	47	55	66	66	37	72	33
No	27	26	17	20	43	16	48
No opinion	26	19	17	14	20	12	19
Total	100	100	100	100	100	100	100
"Do you believe that Denmark's economic situation will become better or worse in 1986 than in 1985?"							
Better	31	19	18	40	57	43	35
Worse	39	55	55	37	18	29	38
No Opinion	20	26	27	23	25	28	27
Total	100	100	100	100	100	100	100
"Do you believe that your standard of living will become higher or lower in 1986 or will it remain unchanged?"							
Higher	17	10	8	6	9	10	12
Unchanged	65	64	57	50	71	65	65
Lower	12	21	30	42	17	22	21
No opinion	6	5	5	2	3	3	2
Total	100	100	100	100	100	100	100

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7262

CSO: 3613/48

ECONOMIC

FINLAND

RAUMA-REPOLA TO BUILD SHIP FOR USSR SOUTH POLE EXPEDITION

Helsinki HELSINGIN SANOMAT in Finnish 21 Dec 85 p 36

[Article: "Finland Was Awarded Half a Billion Markkas' Order for Ships by Soviet Union. Rauma-Repola to Deliver Polar Expedition Vessel in 1987"]

[Text] Rauma-Repola's Rauma Shipyard will build an Antarctic research and expedition ship for the Soviet Union. The transaction is worth about 300 million markkas.

The contract with the Soviet ship import company, V/O Sudoimport, was signed in Moscow on Friday.

The special vessel, which will be provided with sophisticated special equipment, will be delivered in 1987. It is intended for various research projects in the Antarctic region and for the replenishment of their research stations and expeditions.

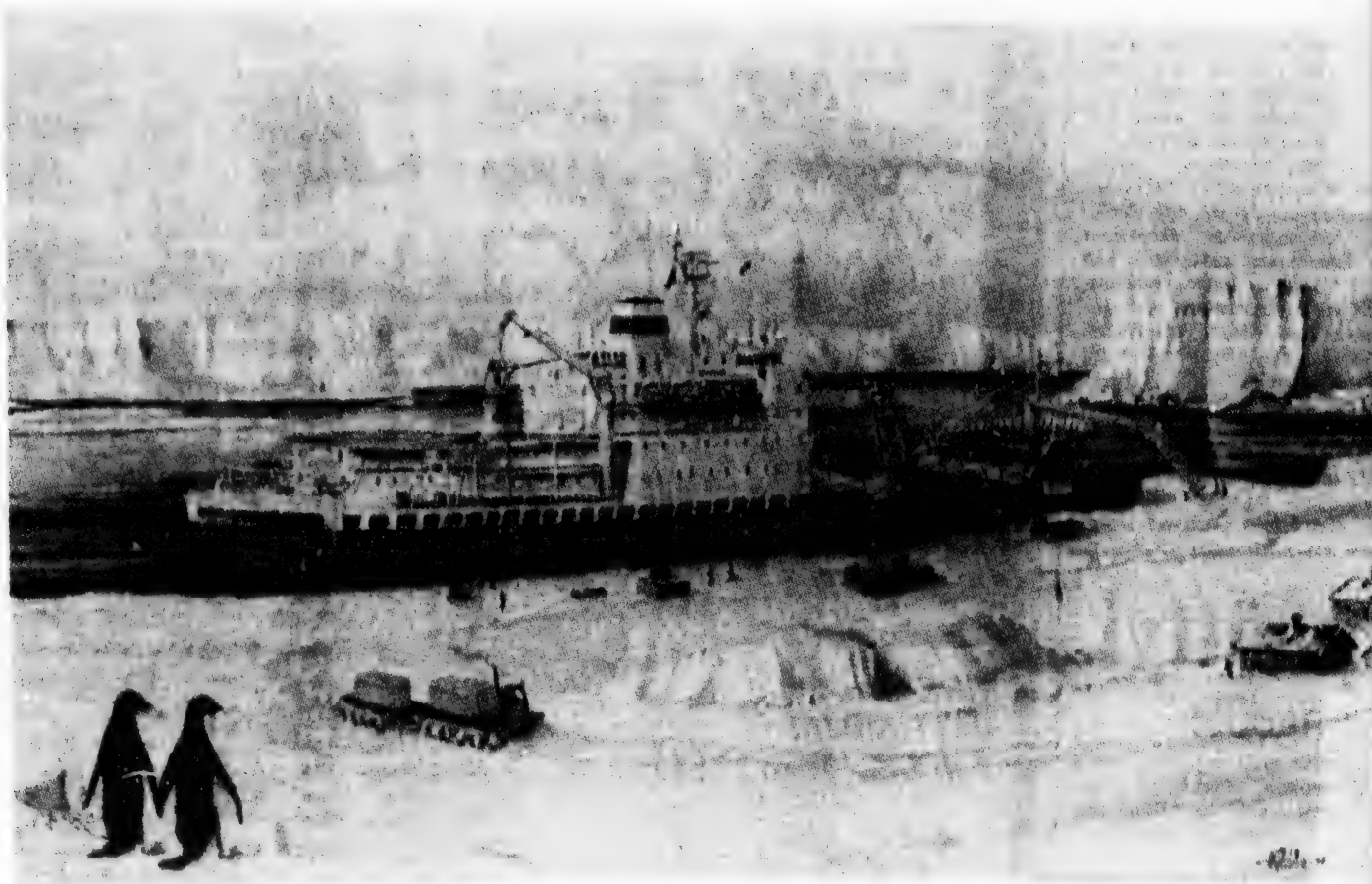
The ship, which will be 140 meters in length and 23 meters in breadth, will be provided with various high-technology research equipment and, including the crew, it can accommodate 250 passengers. The vessel's effect on employment equals to 300 man-years of labor.

Ship To Replace M/S "Mihail Somov"

The ship will replace the Antarctic expedition vessel M/S "Mihail Somov", which received a great deal of publicity while struggling against the ice in the Antarctic last summer.

Rauma-Repola reports that the order signifies the penetration of a new area by the company's ship building industry. According to Rauma-Repola's report, the decisive factor in the tough competition for the award was the company's extensive research in the improvements on the characteristics of ships moving in ice.

In the past years, the number of different research stations in the Antarctic has increased.



In the Antarctic the research vessel will encounter penguins, according to the artist's visual prediction.

Ship to Communicate with Leningrad

Currently, the Soviet Union has seven stations in the region. The new ship built by Finns will operate as a contact and service ship between the research stations and its home port, Leningrad. It will also undertake hydrologic, aerologic and meteorological studies and research in icebreaking-technology.

On Friday, Rauma-Repola's Uusikaupunki Shipyard delivered a sea rescue tug called SE-922 to Soviet V/O Sudoimport. During the last ten years, the shipyard has delivered 17 rescue tugs to the Soviet Union.

12956

CSO: 3617/46

ECONOMIC

FINLAND

UNDERWATER RESEARCH VESSEL FOR USSR TO BE BUILT BY VALMET

Helsinki HELSINGIN SANOMAT in Finnish 21 Dec 85 p 36

[Article: "Valmet to Build Underwater Research Vessel"]

[Text] Valmet's Laivateollisuus Oy (Ship Industry Inc.) will build an underwater research vessel for the use of the Gas Ministry of the Soviet Union. As a result of its long-term product development efforts, Laivateollisuus Oy has thus made its first sale of an underwater research vessel.

The value of the transaction is about two hundred million markkas.

The underwater research vessel now ordered is 92 meters in length and 17 meters in breadth and its displacement is 4000 tons. It is intended mainly for service and construction jobs in oil fields.

The vessel has a sophisticated system for working underwater. It makes it possible to perform underwater jobs with the help of divers, unmanned remote-controlled equipment and miniature submarines to the depth of 300 meters.

Due to its computer systems, the ship can maintain its position within a few meters in 8-beaufort winds.

The ship's engine room can operate unmanned for 24 hours.

According to Laivateollisuus, the underwater research vessel is a natural continuation of the series of high-quality research vessels built by the shipyard. Since 1958, the shipyard has delivered 42 research vessels designed for special purposes to the Soviet Union alone.

12956

CSO: 3617/46

ECONOMIC

FINLAND

BRIEFS

MEAT EXPORTS TO USSR--Finland and the Soviet Union have agreed on the first transactions of meat products contained in next year's quota. In the negotiations, which ended this week, it was agreed that 5 million kg of processed meat products and 7.5 million kg of beef will be exported to the Soviet Union. The value of the transaction is about 16 million rubles, i. e. over 115 million markkas. In the merchandise exchange agreement between the two countries, the quota reserved for the export of meat and processed meat products totals 22-25 million kg. Further transactions will be negotiated at the end of February. At that time, mainly the additional exports of processed meat products, such as sausage, will be agreed on, estimates the Ministry of Trade and Industry. The central organizations of the Finnish meat industry agreed on the first exports with V/O Prodintorg in the negotiations conducted in Helsinki last week. Last year the meat exports to the Soviet Union comprised 2.1 million kg of pork, 10.5 million kg of beef and a record-high 13 million kg of processed meat products. (Text) (Helsinki HELSINGIN SANOMAT in Finnish 23 Dec 85 p 24) 12956

CSO: 3617/46

ECONOMIC

PORTUGAL

PSD 'DE-NATIONALIZATION': MEASURES ENVISIONED

Lisbon SEMANARIO in Portuguese 7 Dec 85 p 17

/Text/ Now it is necessary to spell out the frame of reference for denationalization. Cavaco Silva's "staff" has already begun to work. Basically, there are seven principles that are to guide denationalization.

1. First Principle: Denationalization will be progressive, in an effort to avoid mistakes, in contrast to a nationalization without any principles, and it would not create any economic imbalances due to the effect of transferring the mistakes of the public sector to the private sector. The first rule is derived from a methodical examination of everything that can be revitalized in the public sector through private initiative. Cavaco Silva will have to follow the British example in tactical terms--denationalization involves two phases: Transformation of public enterprises into companies with public capital and later on into commercial companies, especially corporations, as soon as the Constitution permits this. Then comes the sale of packages of shares at the stock exchange and to the workers. In overall terms, this is an objective to be attained in 5 years, a rather long period of time when viewed against the political background of the present executive. But the impact of this measure will certainly not be lost on the new administrations to be formed later on.

The private sector would like to get only the profitable enterprises or those that could be easily restored, such as beer breweries, cement factories, and banks. It will certainly not try to retake the national steel industry or get into the CNP [National Petrochemical Company] or even take over the liabilities of TAP [Portuguese Airlines] or CP [Portuguese Railroad Company]. But here again the administration will not want purely and simply to abandon declining enterprises and activities so that the state will not become only a manager of things that run badly. This is where we come to the grand options of the plan and to the administration's sector strategy.

2. Second Principle: With the exception of nuclear, civilian or military activities, denationalization, after the Constitution has been amended, will permit the sale of all or part of all of the public enterprises.

Denationalization will be difficult in the current parliamentary context since a parliamentary majority will prevent the sale of the public enterprises. But denationalization--which in the opinion of the current administration has ceased

to be an ideological objective and has become a public necessity--will not be able to eliminate the state as such which will continue to exercise its fundamental activities concerned with the control and protection of social well-being (such as insurance, jobs and working conditions, etc.). Learning from the German, American, and Japanese experience, there are sectors which the state would not abandon. Specifically, the state should continue to be the majority stockholder in the sector of armament production, telecommunications, and energy, even after the amendment of the Constitution. Why? For two reasons: (1) Because of the implications in the matter of civilian security; (2) Because of the suspicions that would rapidly arise among the people who continue to believe in the exemption of public services from this step.

3. Third Principle: A significant portion of the present-day public enterprises could even now allow for the minority participation of private outfits and could even be reserved for some leading sectors in economic terms, for typical sectors of the mixed economy. The place of the mixed economy could rapidly be transformed into the most important position in the Portuguese economy. The success of this measure is quite obvious in the German example of the Volkswagen company which continues to be a world leader.

4. Fourth Principle: The end of public monopolies.

This is another objective which presupposes the revision of the economic constitution. But, in long-range terms, it would enable private initiative to have access to all sectors, even those in which it will reserve for itself a leading position.

5. Fifth Principle: The association of private capital with denationalized enterprises should not permit the domination of foreign private interests whose objective it would be to control sectors at the whole in the Portuguese economy or in the Community economy.

The presence of foreign capital in the economy of the denationalized enterprises or the presence of public and mixed capital, especially capital from the EEC, should not exceed certain quotas which would not threaten national leadership in economic sectors.

6. Sixth Principle: Denationalization should not interrupt decision-making processes in the enterprises involved.

One of the big mistakes in nationalization measures was the abrupt termination of the decision-making powers of the enterprises and the cutoffs and startups that were not programmed in the investment plans of those companies. There is uncertainty as to the future which will have to be eliminated from the very beginnings so as to guarantee high levels of confidence and competence in the new management.

7. Seventh Principle: A certain place will have to be reserved for the workers of the denationalized enterprises, both guaranteeing them participation in the capital stock of the enterprises and permitting them representation on the board of directors.

The Planned Eight Steps

How should one denationalize? The steps will be cautious.

1. First of all, a turnover as broad and egalitarian as possible, safeguarding the constitutional principle of the equality of citizens.
2. Selection of actions that will be distributed by the state and by future stockholders: Guaranteeing the participation of the workers, restore and re-organize the enterprises, using the period of transition to membership in the EEC; tax incentives schemes to promote capital transfer.
3. Establishment of a list of enterprises to be sold by the public sector during the 8 or 10 years of the membership transition period, starting as of their transformation into public-capital enterprises, in some cases, mixed-capital enterprises in other cases, or mobilization of partnership titles or exploration license titles.
4. Utilization, for example, of the Secretariat of Public Enterprises as an agency that will, as of now, establish central handling for proposals and intentions of purchase by private outfits. This basically involves establishing the levels of demand so as to correct the timing of denationalization.
5. Promotion of the constitutional amendment regarding the irreversibility of nationalization measures.
6. Transfer of capital titles: Negotiation of payment schemes for assets to the state, determining the unit value of shares on the basis of public competition or by quoting titles at the stock exchange, after the public enterprises have been transformed into corporations.
7. The state must keep track of the new denationalized enterprises during the first few years of their operations.
8. Consolidation of capital.

5058

CSO: 3542/46

ECONOMIC

PORTUGAL

STATISTICS ON QUALIFIED IMPROVEMENT OF GDP

Lisbon TEMPO in Portuguese 6-12 Dec 85 p 18

[Article by Jose Vasconcelos: "Growth of the Economy Has Already Begun"]

[Text] The growth of the GDP will fall short of the projected figure; it will be about 2 percent, which is 1 percent below the figure forecast in the 1985 National Budget [OE]. The target with respect to the rate of inflation, however, will probably be achieved: a 22 percent average annual rate and a 20 percent rate from December to December.

The upturn in economic activity had already begun in the first half of 1985, but it was not as strong as desired. On the other hand, because imports were 4.5 percent below the goals established in the Major Planning Options [GOP] and in the 1985 OE, and because exports did attain the target figures (recording a 7.5 percent growth), we find that the deficit in the balance of payments will be less than forecast. These figures are from a study by the Institute for Business Analysis and Planning Studies (IACEP).

The evolution of the economy during the first half of this year shows that the objectives set forth in the GOP and in the 1985 OE will not be achieved--and it will be by default.

The decision not to adopt a more expansionist policy--which was shunted aside in favor of the economic stabilization program adopted in 1984 (although it was made less stringent)--led to this result.

Although this economic policy (the one adopted by the previous government) was not much liberalized, there was nevertheless a greater flexibility--especially in the area of productivity and price policy. This flexibilizing process took place both directly, in the form of greater liberalization or moderation in the area of collective bargaining, and indirectly, in the relative alleviation of the tax burden; this latter aspect of the process was aided by the reduction in the growth rate of the consumer price index.

One aspect that continued to be burdensome for most investors was the high level of interest rates--high not only in nominal terms but especially in real terms, because the drop in the rate of inflation made the "cost" of money rise in real terms.

Under these circumstances, there was a steady decline in the volume of business loans as well as personal loans during the first half of this year.

In sectoral terms, industrial production recorded a growth of approximately 4 percent in the first 6 months of 1985, reflecting an increase over the figure for the same period of the previous year. The largest increases were recorded in heavy industry.

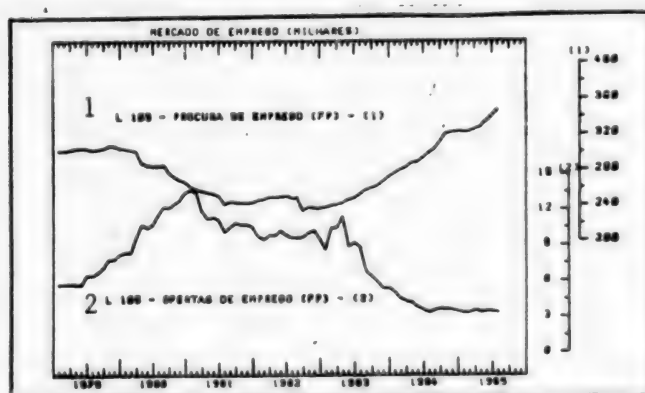
Agricultural production is expected to show--at year's end--growth rates below those recorded in 1984. This situation is not surprising, however, given the exceptional agricultural conditions that prevailed in 1984.

Livestock production will record an estimated decline of approximately 7 percent. Everything indicates, however, that the fish catch will increase by 12 percent.

The construction and public works sector also suffered the consequences of the high interest rates, with output dropping an estimated 8.5 percent in the first 6 months of this year.

On the basis of this examination of the most significant sectors of the economy, we may conclude that the gross domestic product will probably attain a growth rate of around 2 percent as of the end of 1985. This figure would be below the target established in the GOP and in the 1985 OE, which was 3 percent.

Figure 1. Labor Market (in thousands)



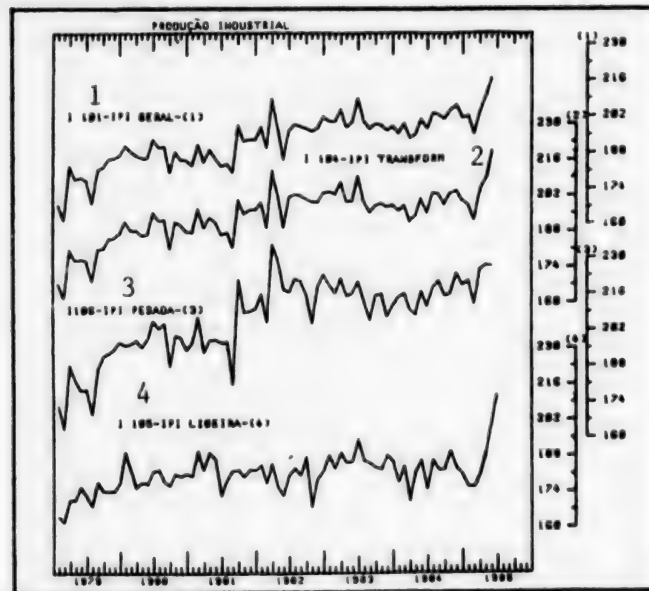
Key:

1. Employment sought

2. Employment offered

The difference in the direction taken by the respective trends in the evolution of supply and demand in the labor market has been accentuated, as a result of the restrictive economic policy.

Figure 2. Industrial Production

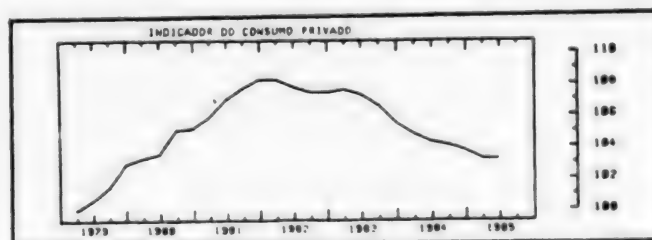


Key:

- | | |
|------------------|-------------------|
| 1. Overall | 3. Heavy industry |
| 2. Manufacturing | 4. Light industry |

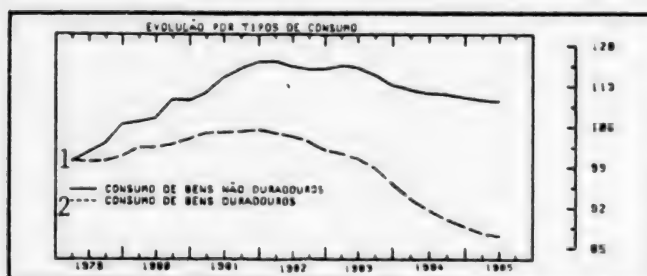
The industrial sector grew in the first half of 1985, and in particular the manufacturing and light industrial subsectors.

Figure 3. Indicator of Private Consumption



Private consumption continued its downward trend, although at a slower rate. In the first half year, however, it did record an 0.6 percent increase.

Figure 4. Evolution by Types of Consumption

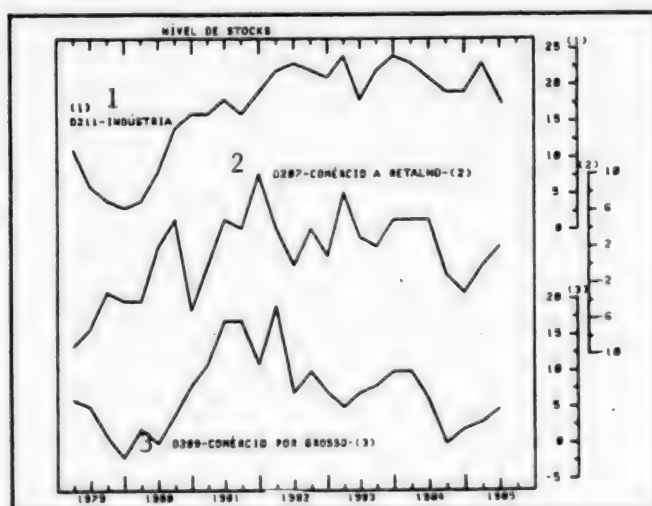


Key:

1. Consumption of nondurable goods
2. Consumption of durable goods

Because of the conditions imposed by the high interest rates, the consumption of durable goods continued to decline at a high rate--higher than the rate of decline in the consumption of nondurable goods.

Figure 5. Inventory Levels

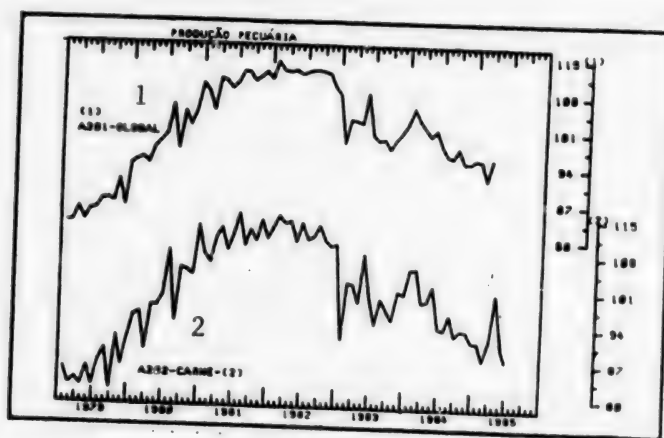


Key:

1. Industry
2. Retail trade
3. Wholesale trade

The process of inventory formation gives rise to figures that represent the transfer of industrial products to commerce (wholesale first, and subsequently retail).

Figure 6. Livestock Production



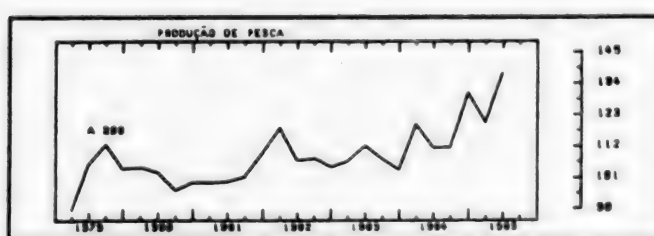
Key:

1. Overall

2. Meat

Overall livestock production has recovered, although only slightly, but meat production has not.

Figure 7. Fish Production



Livestock [as published; read: "fish"] production, in contrast to what occurred in the case of agricultural production, recorded a significant increase in the first half of this year.

10992

CSO: 3542/47

ECONOMIC

PORTUGAL

BRIEFS

COMPENSATION FOR WAGES IN ARREARS--The measures adopted by the administration to resolve the serious situation of workers whose wage payments are in arrear should consist in the payment of 4 months of unemployment benefits and permission for workers involved to be able to cancel the individual work contract with just cause, O JORNAL was able to learn from reliable sources close to the PSD /Social Democratic Party/. In this way, there would be no adoption of basic measures which should be left to the Assembly of the Republic and the administration for the time being should concern itself only with temporarily improving the situation of the workers until the end of the electoral term (in other words, until February 1986), according to these same sources. From that viewpoint, the administration could submit a bill to the Assembly of the Republic on this topic; that bill would contain the necessary basic measures. If adopted, these administration measures will offer the additional advantage of partly satisfying an immediate claim of the CGTP /General Federation of Portuguese Workers/ calling for the payment of several wage months through the broadening of the area covered by the Wage Guarantee Fund which in the end would guarantee more than 4 months of wages, in other words, the measure would no longer be applied only to enterprises that have failed. /Excerpts/ /Lisbon O JORNAL in Portuguese 6-12 Dec 85 p 20/ 5058

RISE IN FOREIGN INVESTMENTS--From January to September of this year, foreign investments in Portugal came to a total of \$187 million (about 31 million contos); the EEC countries contributed 68 percent. According to the Foreign Investment Institute, the United Kingdom was the country that invested most in Portugal during the three first quarters of 1985 with 48 percent of the total. Next in order, by country, we have the United States with 15 percent, France with 9 percent, Holland with 6 percent, Switzerland with 5 percent, the FRG and Spain with 3 percent, each, and Sweden with 1 percent. /Text/ /Lisbon DIARIO DE NOTICIAS in Portuguese 13 Dec 85 p 4/ 5058

DATA ON LIVING STANDARDS, INCREASED URBANIZATION--Portugal has a living standard that is one-half lower (about 43 percent) than the living standard of the EEC, according to Silvio Romchetti, the director-general of Eurostat (Department of Statistics of the European Communities), in Vimeiro. The data presented by Silvio Romchetti show that Spain has a living standard slightly higher than 70 percent of the Community average and that Portugal has the lowest living standard in the Community. A study by the IACEP (Institute of Economic Situation Analysis and Planning Studies) however reveals that about 54 percent of

31 January 1986

the Portuguese people live in urban centers where 82 percent of the nation's processing industry is concentrated. The study reports that Portugal has an unbalanced urban network with the most important and largest number of urban centers located along the more highly-developed littoral. In the urban areas, urban growth, between 1960 and 1981, the period covered by the IACEP analysis, is explained basically by an increase in the tertiary sector which is responsible for more than 60 percent of the nonprimary jobs created in these areas. The urban growth rate speeded up between 1970 and 1981, compared to the preceding decade, and the Portuguese urban population for the first time exceeded 50 percent of the total population. During that period of time, Lisbon and Porto accounted for 69 percent of the urban population growth and in 1981 the two cities, respectively, accounted for 45 and 21 percent of the country's urban population. The food, lumber, and cork industries and the nonmetallic mining industries are the ones where the phenomenon of "urbanization" is less noticeable when compared to the processing industry which is concentrated to the extent of 25 percent in Lisbon and 17 percent in Porto. [Excerpts]
/Lisbon DIARIO DE NOTICIAS in Portuguese 13 Dec 85 p 47 5058

INCREASE IN TOURIST RECEIPTS--Gross receipts from tourism for the first 7 months of 1985 totaled 88,377,000 contos--an increase of 30.6 percent over the figure for the same period of the previous year. Data from the Bank of Portugal show that from January through July of this year, net receipts from tourism amounted to 68,063,000 contos, an increase of 30.4 percent over the figure for the same period of 1984. In dollar terms, gross receipts were \$509 million for the first 7 months of 1985 [up 4.1 percent over the figure for the same period of 1984] and net receipts \$393 million (up 4.5 percent). Gross receipts for July totaled 22,191,000 [as published] contos (up 29.8 percent over the figure for the same month in 1984) and net receipts 81,049,000 contos (up 30.5 percent). Another statistic of significance in connection with the increase in the tourist traffic relates to hotel room occupancy. Whereas the room occupancy rate for foreign nationals recorded an increase in the first 5 months of 1984, the rate for Portuguese citizens decreased by 4 percent in the same period. From January through May a total of 5.5 million British nationals slept in Portuguese hotels (up 22.3 percent over the figure for the same period in 1984); 536,000 Federal German nationals (up 42.3 percent); 317,000 U.S. nationals (up 27.6 percent), and 294,000 Spanish nationals (up 31.2 percent). [Excerpts] [Lisbon A TARDE in Portuguese 4 Dec 85 p 13]
10992

CSO: 3542/47

ENERGY

EUROPEAN AFFAIRS

DANISH DRILLING GROUP HEAD SEES TIE WITH NORWAY IN NATURAL GAS

Copenhagen BERLINGSKE TIDENDE in Danish 21 Dec 85 Sect III p 12

[Article by Jesper Elle]

[Text] Dansk Olie og Naturgas A/S (DONG) would like to see joint Nordic cooperation on natural gas on a commercial basis. In the long term, this cooperation could develop into something along the lines of the present Nordic cooperation at SAS (Scandinavian Airlines System). Within 5 or 6 years, DONG would like to be among the top 10 Danish companies in terms of sales.

Increased natural gas exports to Sweden and other countries during the coming years would be of decisive significance to the overall economy of the Danish natural gas project. Increased exports could be achieved through expanded Nordic cooperation in the area of natural gas. DONG is extremely interested in establishing cooperation of this kind.

Representatives of DONG have stated that it is conceivable that joint Nordic cooperation on a commercial basis in the area of natural gas supply and transport could become useful at some point. If this cooperation becomes a reality, it could ultimately develop into cooperation of the type found at SAS, in terms of gross sales.

Just this week, DONG began negotiating with Dansk Undergrunds Consortium (DUC) in the hope of reaching a general agreement that could serve as a basis for joint negotiations with Swedegas AB.

Natural Partner

"During the past year we have been in contact with Statoil in Norway. We are still in contact with them. All possibilities must be investigated in order to secure the necessary supplies and achieve the best possible commercial conditions, but DUC is our most natural partner. It is only natural that supplies for an expanded Danish and Swedish market would come primarily from the Danish section of the North Sea," chairman of the board at DONG Holger Lavesen told BERLINGSKE TIDENDE.

"We are now negotiating with DUC to establish some form in which we can conduct joint negotiations with Swedegas, since it would strengthen our bargaining position if both producer and supplier could participate in the negotiations."

Sweden As Major Customer

Dansk Naturgas has contracts with Swedegas for the delivery of up to 400 million cubic meters of natural gas per year. In addition, the Swedes have options for the purchase of an additional 250 million cubic meters per year, which they intend to exercise. The possibilities for the Swedish market are estimated to be much greater, however.

"Overall, we have export agreements for 1 billion cubic meters of natural gas. The Swedes will purchase about 650 million cubic meters and Ruhrgas has signed contracts for the delivery of about 360 million cubic meters. We also have contracts on the domestic market for 1 billion cubic meters of gas. It is now clear that, in the long term, Dansk Naturgas will use more natural gas than the 2.5 billion cubic meters annually now covered by contracts with DUC," Holger Lavesen said.

The Swedes are considering an expansion of their natural gas network. The option agreement means that the Swedish network could be expanded to Goteborg. This opens the possibility of the further expansion to Stockholm through Middle Sweden, where large industrial areas are located, and to the Oslo region. This would be the simplest and least expensive alternative for Norway.

"A pipeline of this magnitude would open up new prospects for natural gas sales. According to our estimates, this would mean that Swedegas could purchase an additional 1 billion cubic meters per year. The Swedes' own estimates are somewhat more cautious."

"There is still only a general outline of a plan for a pipeline to Stockholm, but it probably will become a reality. After the decision to phase out nuclear power plants, Sweden is investing more heavily in energy and is finding that natural gas is a good and clean energy source."

And there is plenty of gas. DONG agrees with the DUC estimate of gas resources in the North Sea. There is about 100 billion cubic meters that can be recovered on a commercial basis. This is enough for many years to come.

Big Company

Thus, the framework for large-scale Nordic cooperation in the area of natural gas is in place. At the same time, a picture is emerging of DONG as a big business whose sales are increasing steadily.

Last year DONG achieved gross sales of about 5 billion kroner. In terms of sales, DONG jumped from the 120th position to the number 50 spot.

A temporary new record will be set this year, when the state-owned company

will reach a position somewhere around number 20, with sales of about 6 billion kroner.

The chairman of the board estimates that, within 5 or 6 years, DONG will be among the top 10 Danish companies in terms of sales.

The high sales figures are a result of both natural gas and oil sales. Dansk Olie og Gasproduktion (DOPAS) is participating in oil exploration in the North Sea and the establishment of Dansk Operatorselskab I/S (DANOP) has made it possible for the company to participate in oil and gas exploration as an operator. DOPAS owns half of DANOP and the other half is owned by private Danish companies.

"We have extremely high sales figures per worker and we are finding our own natural position in Danish business," Holger Lavesen said. "At Dansk Operatorselskab, we are cooperating with 20 private companies and it is of great significance that we are working together with private businesses."

"Our company may be expected to assume many important tasks and take much initiative in the areas of research and development that we consider relevant. We must gain extensive expertise in oil geology and recovery technology in the areas of oil exploration and recovery."

"This initiative will determine whether or not we will be competent in acting as an operator, but it will also be important in building up Danish expertise as a whole. The authorities need this expertise in order to successfully grant concessions and monitor activities in the field."

9336

CSO: 3613/42

ENERGY

DENMARK

COUNTRY NOW PRODUCING ALMOST 25 PERCENT OF ENERGY NEED

Copenhagen BERLINGSKE TIDENDE in Danish 20 Dec 85 Sect III p 1

[Article by Jesper Elle]

[Text] Energy consumption is rising as a result of increased business activities and other factors. At the same time, during the first 9 months of the year Danish energy production rose by 6 percent, compared to 1984. Without this production, Denmark's net fuel imports would have cost an additional 6 billion kroner.

Danish production of crude oil, natural gas, and energy from renewable sources now covers just under one fourth of the total Danish energy needs. At the same time, energy consumption rose by 5 percent which is due, in part, to increased business activities that have an effect on energy consumption.

Danish energy production covers 23 percent of consumption. This represents a 6-percent increase, compared to the same period in 1984, according to a report from the Energy Board over the first 3 quarters of this year. The production of crude oil and natural gas, alone, covers 20 percent of consumption. Without this production, it would be necessary to import fuel costing 6 billion kroner more than the amount actually imported.

The savings this year are 2.5 billion kroner greater than the same period in 1984. Nevertheless, the net loss of foreign exchange for energy imports rose by 900 million kroner. This was a result of higher prices, expansion of fuel stockpiles, and increased energy consumption.

Natural gas consumption has risen sharply along with the increasing number of consumers, but electricity consumption also rose. Electricity consumption rose by 6 percent, rising 4 percent in the third quarter alone. This significant increase appears to be the result of a higher level of business activities.

9336
CSO: 3613/42

ENERGY

DENMARK

BRIEFS

NORTH SEA OIL FIND--Dansk Undergrunds Consortium [Danish Substratum Consortium] (DUC) has received one more confirmation of the fact that the Lulu area, 90 kilometers northwest of the Gorm field, can be believed to contain large amounts of oil. After three months of work DUC has just concluded a so-called assessment drilling, Vest [West] Lulu-3. Oil has been brought up each time DUC has drilled in the Lulu area, but the partners in DUC--A.P. Møller, Shell, Chevron and Texaco--will take an official position next summer at the earliest on whether it can pay to bring the oil up. A.P. Møller reports that the "Maersk Endeavour" drilling rig, which began the Vest Lulu-3 drilling on 13 September of this year, has now moved to the Lulu structure, five kilometers east of Vest Lulu. [By tmb] [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 15 Dec 85 p 13] 8831

CSO: 3613/49

ENERGY

PORTUGAL

DATA ON ENERGY IMPORTS, COSTS INVOLVED

Lisbon A TARDE in Portuguese 5 Dec 85 p 6

[Excerpt] Portugal's energy imports are expected to total 357 million contos as of the end of this year--12.5 percent more than in 1984--according to a study published yesterday by the General Directorate of Energy [DGE]. Of this bill, petroleum imports are expected to account for 324.5 million contos (3.4 percent more than in 1984); coal 17 million contos (a 206 percent increase); and electric power 15.5 million contos (a 401.3 percent increase).

The study declares that the significant increase in coal imports is due primarily to the coal imports necessary to operate the new EDP [Portuguese Electric Power Company] thermal electric power plant, whereas the increase in electric power imports is due to the choice made by this public enterprise to import electric power to the detriment of fuel oil in view of the fact that the former had become cheaper.

The DGE study--elaborated by Hermano da Silva--forecasts that Portugal's energy bill for next year will probably reach 404 million contos (13.2 percent above the 1985 figure), based on the premise of a total consumption of 8.1 million tons of petroleum products and maintenance of this year's levels of petroleum production (540,000 tons) as well as an estimated 680,000-ton increase in coal consumption at Sines (EDP).

A breakdown of this energy bill accordingly points toward the importation, in 1986, of 360 million contos worth of petroleum, 26 million contos of coal, and 18 million contos of electric power.

Energy Bill

Hermano da Silva's study shows that last year the "debit entry" (imports) in the balance of trade ledger came to 1.028 billion contos, of which total 322 million (31.4 percent) represented purchases of energy abroad.

A breakdown of this latter sum reveals that petroleum is the principal component of the nation's energy bill (approximately 314 million contos worth of petroleum imported, representing 30.5 percent of the debit in the balance of trade), with coal imports (5 million contos, 0.6 percent) and electric power (3 million contos, 0.3 percent) having only a very slight impact.

The study also points out that even though the average price of imported crude had dropped in recent years (down 21.9 percent in 1984 from the 1981 figure), we witnessed--during the same period--an 85.3 percent increase in terms of escudos.

"Whereas in dollars the price increased approximately sevenfold from 1973 to 1984, in terms of escudos the multiplier was approximately 43 for the same period," the study relates, pointing to "the devaluation of the escudo against the dollar as the principal factor responsible for this extraordinary differential."

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ENERGY

PORTUGAL

NEW DAM CONSTRUCTION TO FULFILL ENERGY NEEDS

Lisbon A TARDE in Portuguese 4 Dec 85 p 12

[Text] The Alto do Lindoso Dam--a project scheduled for completion in 1992--will have the largest capacity of any hydroelectric plant in Portugal and will generate approximately 4 percent of the nation's energy needs.

"When it goes into operation 7 years from now," Correia Figueiras, director of the EDP [Portuguese Electric Power Company], said, "the dam will have a generating capacity of 860 billion kWh [as published], which is less than 5 percent of the annual domestic consumption."

The project--which is being carried out by the EDP--will entail technical investments totaling approximately 35 million contos (at March 1984 prices) and will be the largest--in terms of power generating capacity--of the five dams currently under construction in Portugal.

Most of the water to be impounded by the dam--which will flood a total area of 1,022 hectares along the banks of the Lima River--will be stored in a reservoir on Spanish territory, an aspect that is already covered by an agreement with our neighbor nation.

The hydroelectric generators of this dam (two generators of 300 megawatts each, representing more than twice the total installed capacity of the Castelo de Bode Dam) will function in the power station that will be situated approximately 300 meters underground.

In addition to the Alto do Lindoso Dam, other dams currently under construction are: the Torrao Dam, on the Tamega River; the Vilarinho das Furnas II Dam (a second complex, on the Homem River); and the Sela Dam, on the Minho River; the Alqueva Dam is in its start-up phase. New hydroelectric projects scheduled for construction are: the Foz Coa Dam, on the Coa River; the Pracana Dam, on the Ocreza River; and the Vila Soeiro Dam.

Each of these new dams is expected to require between 8 and 10 years for completion--a "reasonable period of time," according to Correia Figueiras, inasmuch as the "EDP does not possess the capacity to have more than five construction sites in operation at a time."

Completed, but still in the construction stage, is the Crestuma-Lever Dam, which approximately 1 week ago made its first experimental delivery to the network. The dam is scheduled to begin full operation in 1986.

Correia Figueiras believes that the capacity of the electric power generating centers is "in balance." "This capacity is dimensioned in accordance with the requirements of consumption, which has been growing at an annual rate of around 5 percent," the EDP director emphasized.

"If consumption increases at an average annual rate of 5 percent, it means that in 20 years we shall require twice our present energy capacity, and this would actually appear to be an overly conservative view of our possibilities," he said in conclusion.

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ENVIRONMENTAL QUALITY

PORTUGAL

DESERTIFICATION, ECONOMIC CONSEQUENCES THREATEN COUNTRY

Lisbon TEMPO in Portuguese 6-12 Dec 85 p 25

/Excerpt/ "The process of Portugal's desertification has already begun. Even though one might say with an element of caution that there is no such thing as desertification among us there are nevertheless strong warning signals," said Leonel Fadigas, director of Tecnep--Studies Projects, and instructor at the Higher Institute of Social and Political Sciences, during a lecture given at the Agricultural Science Society of Portugal.

The areas most heavily hit by the gradual process of desertification are scattered a little bit throughout the continent: Algarve, Leziria Grande de Vila Franca de Xira, Baixo Vouga, Alentejo, Western Shore, and the Vouga, Ave, and Almonda rivers.

The reasons are not always the same and they range from the salination of the ground all the way to the pollution of irrigation waters, via the single-crop system.

According to the technician, the most preoccupying case involves the area of Algarve where the symptoms are alarming.

This brings desertification which is understood here as "the process of the progressive destruction of the productive capacity of the environment, thus speeding up imbalances, raising poverty levels, making survival in terms of food more and more unstable, and intensifying the cultural uprooting of the population. Basically, desertification produces poverty, it creates vast, badly-structured urban concentrations, it accentuates social imbalances within the countries and it increases the gap between the rich and the poor countries," the Tecnep director continued.

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